Topstaff Employment Limited

Report and Financial Statements

Year Ended

31 May 2012

Company Number SC047752

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Topstaff Employment Limited

Report and financial statements
for the year ended 31 May 2012

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Directors

Mrs J Downie
Miss K McBride
Mr G L Thomas

Secretary and registered office

Mr A R Wray, Clyde House, 209 Govan Road, Glasgow, G51 1HJ

Company number

SC047752

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Bankers

Bank of Scotland, 816 Govan Road, Govan, Glasgow, G51 3UP

Solicitors

Harper Macleod LLP, The Ca'd'oro, 45 Gordon Street, Glasgow, G1 3PE

Topstaff Employment Limited

Report of the directors
for the year ended 31 May 2012

The directors present their report together with the audited financial statements for the year ended 31 May 2012.

Results

The profit and loss account is set out on page 5 and shows the profit for the year.

Dividends

During the year the company paid dividends of £463 per share (2011: £5 per share).

Principal activities

The company's principal activity is that of a recruitment agency, personnel selection and consultancy.

Directors

The directors of the company during the year were:

Mrs J Downie
Miss K McBride
Mr G L Thomas

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board

Mrs J Downie

Director

27 November 2012

Topstaff Employment Limited

Independent auditor's report

To the member of Topstaff Employment Limited

We have audited the financial statements of Topstaff Employment Limited for the year ended 31 May 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.

BDO LLP

Andrew McNamara (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

28 November 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Topstaff Employment Limited

Profit and loss account
for the year ended 31 May 2012

	Note	2012 £	2011 £
Turnover	2	**3,301,723**	2,429,893
Cost of sales		**2,639,612**	1,923,578
Gross profit		**662,111**	506,315
Administrative expenses		**577,990**	401,798
		84,121	104,517
Other operating income		**-**	9,975
Operating profit	3	**84,121**	114,492
Interest receivable and similar income		**89**	3,219
Interest payable and similar charges	5	**(2)**	(201)
Profit on ordinary activities before taxation		**84,208**	117,510
Taxation on profit on ordinary activities	6	**57,940**	17,025
Profit on ordinary activities after taxation		**26,268**	100,485

All amounts relate to continuing activities.
All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

Topstaff Employment Limited

Balance sheet
at 31 May 2012

Company number SC047752	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		**4,940**		2,267
Current assets					
Debtors	9	**741,866**		935,777	
Cash at bank and in hand		**25,309**		68,687	
		767,175		1,004,464	
Creditors: amounts falling due within one year	10	**513,263**		311,562	
Net current assets			**253,912**		692,902
Total assets less current liabilities			**258,852**		695,169
Capital and reserves					
Called up share capital	11		**1,000**		1,000
Profit and loss account	12		**257,852**		694,169
Shareholder's funds	13		**258,852**		695,169

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 November 2012.

Mrs J Downie
Director

The notes on pages 7 to 14 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised upon the provision of the service to the customer.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 33.33% straight line
Fixtures and fittings	- 33.33% straight line

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The company participates in the group pension scheme. Contributions to the group's defined contribution pension scheme are charged to the appropriate company's profit and loss account in the year in which they become payable.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit

	2012 £	2011 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	**1,551**	1,344
Hire of motor vehicles - operating leases	**6,406**	6,406
Hire of land and buildings - operating leases	**38,265**	38,265
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	**4,157**	3,980

4 Directors' remuneration

	2012 £	2011 £
Aggregate emoluments and pension contributions	**49,588**	5,026

There were 3 directors in the group's defined contribution pension scheme during the year (2011 - 3).

5 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	**2**	201

6 Taxation on profit on ordinary activities

	2012 £	2011 £
UK Corporation tax		
Current tax on profits of the year	**56,033**	29,642
Adjustment in respect of previous periods	**(6)**	(14,517)
Total current tax	**56,027**	15,125
Deferred tax		
Origination and reversal of timing differences	**1,913**	1,900
Taxation on profit on ordinary activities	**57,940**	17,025

The tax assessed for the year is differs from the applicable rate of corporation tax in the UK applied to the profit before tax. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	**84,208**	117,510
Profit on ordinary activities at the applicable rate of corporation tax in the UK of 25.67% (2011 - 27.67%)	**21,616**	32,515
Effect of:		
Expenses not deductible for tax purposes	**36,241**	3,945
Capital allowances for period compared to depreciation	**(1,723)**	(3,419)
Adjustment to tax charge in respect of previous periods	**(6)**	(14,517)
Movements on provisions	**(101)**	(152)
Group relief received for no consideration	**-**	(3,247)
Current tax charge for the year	**56,027**	15,125

7 Dividends

	2012 £	2011 £
Ordinary shares		
Interim paid of £463 (2011 - £5) per share	**462,585**	5,000

8 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 June 2011	44,118	41,743	85,861
Additions	-	4,224	4,224
At 31 May 2012	**44,118**	**45,967**	**90,085**
Depreciation			
At 1 June 2011	44,118	39,476	83,594
Provided for the year	-	1,551	1,551
At 31 May 2012	**44,118**	**41,027**	**85,145**
Net book value			
At 31 May 2012	-	**4,940**	**4,940**
At 31 May 2011	-	2,267	2,267

9 Debtors

	2012 £	2011 £
Amounts receivable within one year		
Trade debtors	**483,887**	318,000
Amounts owed by group undertakings	**76,283**	539,467
Other debtors	**179,397**	74,098
	739,567	931,565
Amounts receivable after more than one year		
Deferred taxation	**2,299**	4,212
Total debtors	**741,866**	935,777

	Deferred taxation £
At 1 June 2011	4,212
Charged to profit and loss account	(1,913)
At 31 May 2012	**2,299**

Deferred taxation

The amount of deferred tax provided for is as follows:	2012 £	2011 £
Accelerated capital allowances	**2,299**	4,110
Sundry timing differences	**-**	102
	2,299	4,212

The policy applied in respect of the recognition of deferred tax assets is at note 1.

10 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	**7,919**	9,565
Amounts owed to group undertakings	**98,722**	91,775
Corporation tax	**56,027**	29,642
Other taxation and social security	**201,987**	133,317
Other creditors	**148,608**	47,263
	513,263	311,562

The company's bank borrowings are secured by way of a cross guarantee agreement with the Bank of Scotland in respect of the borrowings of Clyde Travel Limited, Prime Recruitment Limited, Precious Associates Limited, Topstaff Employment Limited, Clyde Healthcare Limited, Clyde Marine Consultants Limited, The Clyde Group Limited, Clyde Safety Limited, and Alba Travel (Inverness) Limited.

The Bank of Scotland holds a bond and floating charge over the group companies with the exception of Prime Recruitment Limited and Precious Associates Limited where the Bank of Scotland holds an all monies debenture granted over the assets of the companies. At the year end the liabilities covered by their guarantees totalled £1,916,451 (2011: £2,439,951). When cash at bank balances are taken into account as at 31 May 2012, the group had funds at bank in excess of borrowings of £1,237,691 (2011: £2,654,124).

During the year the group sold Clyde Marine Recruitment Limited, CML Topstaff Limited and Sealife Crewing Services Limited and these companies have been removed from the cross guarantee arrangement.

11 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	**1,000**	1,000

12 Reserves

	Profit and loss account £
At 1 June 2011	694,169
Profit for the year	26,268
Dividends	(462,585)
At 31 May 2012	**257,852**

13 Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Profit for the year	**26,268**	100,485
Dividends	**(462,585)**	(5,000)
Net (deductions from)/additions to shareholder's funds	**(436,317)**	95,485
Opening shareholder's funds	**695,169**	599,684
Closing shareholder's funds	**258,852**	695,169

14 Pensions

The company participates in the group's defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £1,165 (2011 - £1,295). There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire:				
Within one year	**3,749**	**-**	3,749	-
In two to five years	**27,018**	**6,405**	27,018	6,405
	30,767	**6,405**	30,767	6,405

16 Related party disclosures

The company is a wholly owned subsidiary of The Clyde Group Holding Company Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with The Clyde Group Holding Company Limited or other wholly owned subsidiaries within the group.

17 Ultimate parent company and parent undertaking of larger group

The company is a direct subsidiary of Clyde Marine Holdings Limited which, in turn, is an indirect subsidiary of The Clyde Group Holding Company Limited, the ultimate parent company incorporated in Scotland.

The largest and smallest group in which the results of the company are consolidated is that headed by The Clyde Group Holding Company Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.