

Company Registration No. 02681475 (England and Wales)

**DATABAIL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2010**

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# **DATABAIL LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	C Thomas R M Rees
<b>Secretary</b>	N W Bassett
<b>Company number</b>	02681475
<b>Registered office</b>	Llanelli Gate Business Park Dafen Llanelli Carmarthenshire SA14 8LQ
<b>Auditors</b>	Harns Bassett Limited 5 New Mill Court Phoenix Way Enterprise Park Swansea SA7 9FG
<b>Bankers</b>	HSBC Bank plc Portland Street Swansea SA1 3DF

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# **DATABAIL LIMITED**

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# **DATABAIL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2010**

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The directors present their report and financial statements for the year ended 31 August 2010

### **Principal activities and review of the business**

The principal activity of the company continued to be that of the provision of labour to the food and manufacturing industries

The year under review has seen the economy stuck in recession. Businesses face a high degree of uncertainty in all sectors. Consumer spending in the high street, which ultimately determines the demand for the company's labour within the food industry, is still weak. The manufacturing and construction sectors have been hardest hit over the last two years. However against this backdrop the company has continued to be profitable. Management have exercised strict control over costs and ensured that the business operates as efficiently as possible.

As is the case for all businesses supplying labour the principal risks and uncertainties are determined by the success or otherwise of their customers and change in legislation affecting agency workers.

The company continues to take its ethical employment responsibilities seriously and there are internal controls in place to ensure that the company is compliant with all external regulations and operates within the legal framework applicable to the industry sector.

The company uses key performance indicators in order to measure financial performance and exercise control.

There are a number of positive indicators with turnover increased over the previous year by 14.3%. Management are endeavouring to improve gross margins by targeting small business which, though the volume of workers supplied will be lower, will yield higher profits.

### **Results and dividends**

The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

### **Future developments**

The company has started to expand its operations into recruitment for permanent employment positions within a variety of sectors of the economy. This slight diversification will further utilise skills presently within the company, maximising resources and ultimately increased profitability.

### **Directors**

The following directors have held office since 1 September 2009

C Thomas

R M Rees

R T Kaluza

(Resigned 20 October 2010)

# **DATABAIL LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010**

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### **Policy and practice on payment of creditors**

Provided that a supplier is complying with the relevant terms and conditions, including prompt and complete submission of all specified documentation, payment will be made in accordance with these agreed terms. Company policy is to ensure that suppliers know the terms on which payment will take place at the time of entering a transaction. The company does not follow any code or standard on payment practice.

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Disabled persons**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

### **Financial instruments**

The company's principal financial instruments comprise bank balances, factored debts, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below. In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

### **Auditors**

In accordance with the company's articles, a resolution proposing that Harris Bassett Limited be reappointed as auditors of the company will be put at a General Meeting.

# **DATABAIL LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010**

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### **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.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R M Rees

Director

26/5/11

# **DATABAIL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF DATABAIL LIMITED**

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We have audited the financial statements of Databail Limited for the year ended 31 August 2010 set out on pages 6 to 16. 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 members, as a body, 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 members those matters we are required to state to them in an auditors' 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 members as a body, 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 Directors' Responsibilities Statement set out on pages 1 - 3, 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 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 Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **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 August 2010 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.

# DATABAIL LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF DATABAIL LIMITED

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### 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



Mr Nicholas Bassett (Senior Statutory Auditor)  
for and on behalf of Harris Bassett Limited

26/5/11

Chartered Accountants  
Statutory Auditor

5 New Mill Court  
Phoenix Way Enterprise Park  
Swansea  
SA7 9FG



# ATABAIL LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2010

	Notes	2010 £	2009 £
Turnover	2	9,389,719	8,212,995
Cost of sales		(8,409,409)	(7,303,677)
<b>Gross profit</b>		<b>980,310</b>	<b>909,318</b>
Administrative expenses		(914,743)	(832,699)
Other operating income		-	250
<b>Operating profit</b>	<b>3</b>	<b>65,567</b>	<b>76,869</b>
Other interest receivable and similar income	4	3	614
Interest payable and similar charges	5	(33)	(1,222)
<b>Profit on ordinary activities before taxation</b>		<b>65,537</b>	<b>76,261</b>
Tax on profit on ordinary activities	6	(16,914)	(21,157)
<b>Profit for the year</b>	<b>13</b>	<b>48,623</b>	<b>55,104</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# DATABAIL LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2010

	Notes	2010 £	£	2009 £	£
<b>Fixed assets</b>					
Tangible assets	8		18,919		38,420
<b>Current assets</b>					
Debtors	9	1,526,135		1,901,529	
Cash at bank and in hand		1,492		3,063	
		<u>1,527,627</u>		<u>1,904,592</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,467,300)</u>		<u>(1,537,389)</u>	
<b>Net current assets</b>			<u>60,327</u>		<u>367,203</u>
<b>Total assets less current liabilities</b>			<u>79,246</u>		<u>405,623</u>
			<u>79,246</u>		<u>405,623</u>
<b>Capital and reserves</b>					
Called up share capital	12		4		4
Profit and loss account	13		79,242		405,619
<b>Shareholders' funds</b>	14		<u>79,246</u>		<u>405,623</u>

Approved by the Board and authorised for issue on 26/5/11



R M Rees  
Director

Company Registration No. 02681475

# DATABAIL LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2010

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	£	2010 £	£	2009 £
<b>Net cash inflow from operating activities</b>		399,800		267,197
<b>Returns on investments and servicing of finance</b>				
Interest received	3		614	
Interest paid	(33)		(1,222)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(30)		(608)
<b>Taxation</b>		(24,341)		-
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(2,000)		(1,279)	
<b>Net cash outflow for capital expenditure</b>		(2,000)		(1,279)
<b>Equity dividends paid</b>		(375,000)		-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(1,571)		265,310
<b>(Decrease)/increase in cash in the year</b>		(1,571)		265,310

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# DATABAIL LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2010

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		<b>2010</b>	<b>2009</b>	
			£	£	
	Operating profit		65,567	76,869	
	Depreciation of tangible assets		21,501	25,671	
	Decrease/(increase) in debtors		378,448	(108,556)	
	(Decrease)/Increase in creditors within one year		(65,716)	273,213	
	<b>Net cash inflow from operating activities</b>		<u>399,800</u>	<u>267,197</u>	
<b>2</b>	<b>Analysis of net funds</b>	<b>1 September 2009</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 August 2010</b>
		£	£	£	£
	Net cash				
	Cash at bank and in hand	3,063	(1,571)	-	1,492
	Bank deposits	-	-	-	-
	<b>Net funds</b>	<u>3,063</u>	<u>(1,571)</u>	<u>-</u>	<u>1,492</u>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		<b>2010</b>	<b>2009</b>	
			£	£	
	(Decrease)/increase in cash in the year		(1,571)	265,310	
	<b>Movement in net funds in the year</b>		(1,571)	265,310	
	Opening net funds/(debt)		3,063	(262,247)	
	<b>Closing net funds</b>		<u>1,492</u>	<u>3,063</u>	

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2010

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Tangible fixed assets and depreciation

Depreciation is provided on cost in equal instalments over the estimated lives of the assets. The rates of depreciation are as follows

Plant and machinery	25% per annum
Fixtures, fittings & equipment	25% per annum
Motor vehicles	25% per annum

#### 1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

### 3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	21,501	25,671

#### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	4,500	4,500
Tax services	1,000	1,000
Other services	4,958	4,938
	<u>10,458</u>	<u>10,438</u>

### 4 Investment income

	2010	2009
	£	£
Bank interest	3	614
	<u>3</u>	<u>614</u>

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

<b>5</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		£	£
	On bank loans and overdrafts	33	1,122
	On overdue tax	-	100
		<u>33</u>	<u>1,222</u>
<b>6</b>	<b>Taxation</b>	<b>2010</b>	<b>2009</b>
		£	£
	<b>Domestic current year tax</b>		
	U K corporation tax	19,967	24,340
		<u>19,967</u>	<u>24,340</u>
	<b>Total current tax</b>	19,967	24,340
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(3,053)	(3,183)
		<u>16,914</u>	<u>21,157</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	65,537	76,261
		<u>65,537</u>	<u>76,261</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	18,350	21,353
		<u>18,350</u>	<u>21,353</u>
	<b>Effects of</b>		
	Non deductible expenses	928	834
	Depreciation add back	6,020	7,187
	Capital allowances	(2,976)	(3,378)
	Other tax adjustments	(2,355)	(1,656)
		<u>1,617</u>	<u>2,987</u>
	<b>Current tax charge for the year</b>	19,967	24,340
		<u>19,967</u>	<u>24,340</u>
<b>7</b>	<b>Dividends</b>	<b>2010</b>	<b>2009</b>
		£	£
	Ordinary interim paid	375,000	-
		<u>375,000</u>	<u>-</u>

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

### 8 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2009	17,635	115,062	13,332	146,029
Additions	-	2,000	-	2,000
At 31 August 2010	17,635	117,062	13,332	148,029
<b>Depreciation</b>				
At 1 September 2009	17,109	77,237	13,263	107,609
Charge for the year	526	20,906	69	21,501
At 31 August 2010	17,635	98,143	13,332	129,110
<b>Net book value</b>				
At 31 August 2010	-	18,919	-	18,919
At 31 August 2009	526	37,825	69	38,420

### 9 Debtors

	2010	2009
	£	£
Trade debtors	922,845	1,081,987
Amounts owed by parent and fellow subsidiary undertakings	589,481	802,499
Other debtors	7,897	14,161
Prepayments and accrued income	1,612	1,636
Deferred tax asset (see note 11)	4,300	1,246
	1,526,135	1,901,529

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

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10 Creditors: amounts falling due within one year	2010	2009
	£	£
Trade creditors	20,224	14,092
Amounts owed to parent and fellow subsidiary undertakings	175,076	-
Corporation tax	19,967	24,340
Other taxes and social security costs	384,968	406,232
Other creditors	443,702	595,307
Accruals and deferred income	423,363	497,418
	<u>1,467,300</u>	<u>1,537,389</u>

The bank hold a fixed charge over the book debts and a floating charge over all other property and assets

## 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows

	2010	
	£	
Balance at 1 September 2009	(1,247)	
Profit and loss account	(3,053)	
	<u>(4,300)</u>	
	2010	2009
	£	£
Decelerated capital allowances	<u>(4,300)</u>	<u>(1,246)</u>

12 Share capital	2010	2009
	£	£
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>



# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2010

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2009	405,619
Profit for the year	48,623
Dividends paid	(375,000)
Balance at 31 August 2010	<u>79,242</u>

### 14 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	48,623	55,104
Dividends	(375,000)	-
Net (depletion in)/addition to shareholders' funds	<u>(326,377)</u>	<u>55,104</u>
Opening shareholders' funds	405,623	350,519
Closing shareholders' funds	<u>79,246</u>	<u>405,623</u>

### 15 Directors' remuneration

	2010 £	2009 £
Remuneration for qualifying services	<u>64,428</u>	<u>66,725</u>

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2010

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### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
	566	620
	<u>566</u>	<u>620</u>
<b>Employment costs</b>	<b>2010</b>	<b>2009</b>
	£	£
Wages and salaries	8,008,898	7,317,284
	<u>8,008,898</u>	<u>7,317,284</u>

### 17 Control

The ultimate parent company is MMR Holdings Limited, a company registered in England and Wales

# DATABAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2010

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#### 18 Related party relationships and transactions

During the year, the company traded from a property owned by MMR Holdings Limited Retirement Benefit Scheme. Rent of £24,000 was charged to the company in respect of this property during the year.

During the year the company incurred the following transactions with related parties:

Purchases / recharges from fellow subsidiaries / related parties on normal trading terms

CSA Site Services Limited	£51,995
Securicall (UK) Limited	£1,122

Sales to fellow subsidiaries / related parties on normal trading terms

Securicall (UK) Limited	£9,406
CSA Site Services Limited	£3,240
MMR Holdings Limited	£28,781
Swihart Rees Limited	£15,597
Labourforce Limited	£4,252

Recharge of operating expenses

MMR Holdings Limited	£540,000
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The balances outstanding at 31 August 2010 were

Due from Securicall (UK) Limited	£45,412
Due from CSA Site Services Limited	£544,069
Due to MMR Holdings Limited	£175,076
Due from Labourforce Solutions Limited	£3,028
Due from Swihart Rees Limited	£4,719
Due from CSA Surface Protection Limited	£150
Due to Neweuropeanstaff.com	£27,000