

Blue Arrow Holdings Limited

Annual Report and Financial Statements

for the 52 weeks ended 1 January 2016

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Blue Arrow Holdings Limited

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Blue Arrow Holdings Limited

Company Information

Directors	D Mee J Robertson R J Watson
Company secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton Bedfordshire LU1 3BA
Auditors	KPMG LLP 15 Canada Square London E14 5GL

Blue Arrow Holdings Limited

Strategic Report for the 52 weeks ended 1 January 2016

The directors present their strategic report for the 52 weeks ended 1 January 2016.

Review of the business

The principal activity of the company is that of an investment holding company. During the period the company recognised a profit of £48,000 (2 January 215: £nil). The company also wrote off an amount due from a fellow group undertaking resulting in a loss of £18,602,000 which has been treated as a deemed distribution. There were no other transactions in the current or previous financial period.

As at 1 January 2016 the company had net current liabilities amounting to £17,351,000 (2 January 2015: net current assets £1,203,000). The company is dependent, in the absence of other funding, on the continued support of the ultimate parent company, Impellam Group Plc. The ultimate parent company has confirmed that it will continue to support the company for the foreseeable future and at least a period of twelve months from the date the financial statements are signed. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Insurance

Impellam Group plc ("the Group"), of which the company is a member, maintains a comprehensive insurance programme with a number of reputable third party underwriters. These insurance policies are reviewed annually to ensure that there is adequate cover for insurable risks and that the terms of those policies are optimised.

Principal risks and uncertainties

The principal risks and uncertainties of the Group, which include those of the company, are discussed in the Finance Report in the Group's annual report which does not form part of this report. Certain of the Group's business and financial risks are managed at a Group level, rather than at an individual company level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the company.

Approved by the Board on 6 June 2016 and signed on its behalf by:



D Mee
Director

800 The Boulevard
Capability Green
Luton
LU1 3BA

Blue Arrow Holdings Limited

Directors' Report for the 52 weeks ended 1 January 2016

The directors present their report and the financial statements for the 52 weeks ended 1 January 2016.

Directors of the company

The directors who held office during the period were as follows:

D Mee (appointed 20 April 2015)

J Robertson

R J Watson

Directors' liabilities

During the period and to the date of these financial statements, the company had in force an indemnity provision in favour of one or more Directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006.

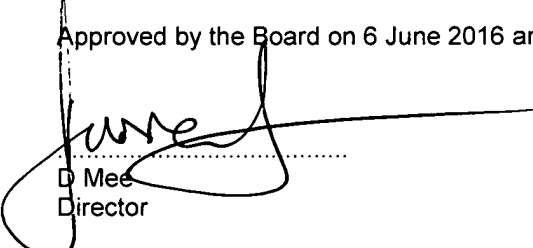
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

During the period KPMG LLP were appointed as auditors and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 6 June 2016 and signed on its behalf by:



D Mee
Director

Blue Arrow Holdings Limited

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Blue Arrow Holdings Limited

We have audited the financial statements of Blue Arrow Holdings Limited for the 52 weeks ended 1 January 2016, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 January 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and Directors' Report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:


- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the members of Blue Arrow Holdings Limited
(continued)

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



Aimie Keki (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

7 June 2016

Blue Arrow Holdings Limited

Profit and Loss Account for the 52 weeks ended 1 January 2016

	Note	52 weeks 1 January 2016 £ 000	53 weeks 2 January 2015 £ 000
Turnover		-	-
Administrative expenses		<u>48</u>	<u>-</u>
Operating profit		<u>48</u>	<u>-</u>
Profit before tax		<u>48</u>	<u>-</u>
Profit for the period		<u><u>48</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

Statement of Comprehensive Income for the 52 weeks ended 1 January 2016

	Note	52 weeks 1 January 2016 £ 000	53 weeks 2 January 2015 £ 000
Profit for the period		<u>48</u>	<u>-</u>
Total comprehensive income for the period		<u><u>48</u></u>	<u><u>-</u></u>

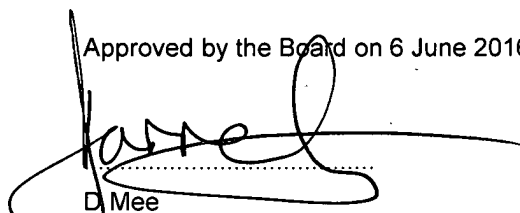
The notes on pages 10 to 15 form an integral part of these financial statements.

Blue Arrow Holdings Limited

(Registration number: 02586484)
Balance Sheet as at 1 January 2016

	Note	1 January 2016 £ 000	2 January 2015 £ 000
Fixed assets			
Investments	7	58,220	58,220
Current assets			
Trade and other receivables	8	-	18,554
Creditors: Amounts falling due within one year			
Trade and other payables	9	(17,351)	(17,351)
Net current (liabilities)/assets		(17,351)	1,203
Net assets		40,869	59,423
Capital and reserves			
Called up share capital	10	26,855	26,855
Profit and loss account		14,014	32,568
Shareholders' funds		40,869	59,423

Approved by the Board on 6 June 2016 and signed on its behalf by:


D. Mee
Director

Blue Arrow Holdings Limited

Statement of Changes in Equity for the 52 weeks ended 1 January 2016

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 3 January 2015	26,855	32,568	59,423
Profit for the period	-	48	48
Total comprehensive income	-	48	48
Deemed distribution	-	(18,602)	(18,602)
At 1 January 2016	26,855	14,014	40,869

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 28 December 2013	26,855	32,568	59,423
At 2 January 2015	26,855	32,568	59,423

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016

1 General information

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:

800 The Boulevard

Capability Green

Luton

Bedfordshire

LU1 3BA

These financial statements were authorised for issue by the Board on 6 June 2016 and the balance sheet was signed on behalf of the Board by Darren Mee.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in the notes to the financial statements.

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 28 December 2013 for the purposes of the transition to FRS 101 Adopted IFRSs.

Going concern

The financial statements have been prepared on a going concern basis.

As at 1 January 2016 the company had net current liabilities amounting to £17,351,000 (2 January 2015: net current assets £1,203,000). The company is dependent, in the absence of other funding, on the continued support of the ultimate parent company, Impellam Group Plc. The ultimate parent company has confirmed that it will continue to support the company for the foreseeable future and at least a period of twelve months from the date the financial statements are signed. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Exemption from preparing a cash flow statement

The company has taken advantage of the exemption under FRS 101 not to publish a cash flow as its ultimate parent, Impellam Group Plc, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

Exemption from preparing group accounts

The financial statements contain information about Blue Arrow Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Impellam Group Plc, a company incorporated in United Kingdom.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 28 December 2013 have had a material effect on the financial statements.

Significant accounting judgements

Recoverability of debtors

The company determines whether debtors are impaired if events or changes in circumstances indicate that the carrying value may not be recoverable at least on an annual basis.

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016 (continued)

2 Accounting policies (continued)

Investments

Fixed asset investments are stated at cost less a provision for impairment. The carrying values of investments are reviewed for impairment at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating unit to which the assets are allocated. Estimating the value in use requires the company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial assets and liabilities

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial assets and financial liabilities are recorded at fair value on the transaction date, on the company's balance sheet when the company has become a party to the contractual provisions of the instrument and derecognised when this is no longer the case.

3 Auditors' remuneration

Auditors' remuneration for the current and prior periods has been borne by a fellow group company.

4 Staff costs

Other than the directors, the company had no employees throughout the current or prior period.

5 Directors' remuneration

The emoluments of the directors are paid by the ultimate parent company, or by another group company. The directors' services to this company are of a non-executive nature and are deemed to be attributable to services to the remunerating company. Accordingly, the directors received no remuneration for services to the company in the period (2 January 2015: £nil).

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016 (continued)

6 Income tax

Tax charged/(credited) in the income statement

	52 weeks 1 January 2016 £ 000	53 weeks 2 January 2015 £ 000
Current taxation	-	-

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20.25% (2015 - 21.5%).

The differences are reconciled below:

	52 weeks 1 January 2016 £ 000	53 weeks 2 January 2015 £ 000
Profit before tax	48	-
Corporation tax at standard rate	10	-
Expenses not allowable in determining taxable profits	(10)	-
Total tax charge	-	-

UK legislation requires, in broad terms, that most transactions between connected parties be at an arm's length price for tax purposes (commonly known as 'transfer pricing'). As a result, this company must make an adjustment for deemed net interest on intercompany balances that has not been recognised in the financial statements.

UK legislation also places restrictions on the amount of interest payable by a group of companies which can be deducted for tax purposes (commonly known as the 'debt cap rules'), but also allows a restricted exemption for interest receivable subject to various conditions.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016 (continued)

7 Investments

Subsidiaries	£ 000
Cost	
At 3 January 2015	59,454
At 1 January 2016	59,454
Provision	
At 3 January 2015	1,234
At 1 January 2016	1,234
Carrying amount	
At 1 January 2016	58,220
At 2 January 2015	58,220

Details of the subsidiaries as at 1 January 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2016	2015
Austin Benn Consultants Limited	Dormant	England & Wales	100%	100%
Blue Arrow Limited	Employment agency	England & Wales	100%	100%

The directors believe that the carrying value of the investments is supported by their underlying trade and net assets.

8 Trade and other receivables

	1 January 2016 £ 000	2 January 2015 £ 000
Amounts owed by group undertakings	-	18,554

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

9 Trade and other payables

	1 January 2016 £ 000	2 January 2015 £ 000
Amounts owed to group undertakings	17,351	17,351

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

Blue Arrow Holdings Limited

Notes to the Financial Statements for the 52 weeks ended 1 January 2016 (continued)

10 Share capital

Allotted, called up and fully paid shares

	1 January 2016		2 January 2015	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	1,334	133	1,334	133
Cumulative Preference shares of £1 each	26,722	26,722	26,722	26,722
	<u>28,056</u>	<u>26,855</u>	<u>28,056</u>	<u>26,855</u>

Rights, preferences and restrictions

The holders of the cumulative preference shares of £1 each have previously confirmed in writing that they have unconditionally waived their rights of redemption indefinitely. The cumulative preference shares have a preferential right to return of capital on a winding up of the company. The holders of ordinary shares have full voting rights but cumulative preference shareholders only have limited voting rights, as set out in the Articles of Association.

11 Contingent liabilities

The company has given cross guarantees as follows:

- As part of the Group's revolving credit facility of which the company is a member; the net aggregate amount outstanding against this facility at 1 January 2016 was £183,700,000 (2 January 2015: £54,010,000).
- In respect of the Group's Term loan due 2019; the net aggregate amount outstanding at 1 January 2016 was £Nil (2 January 2015: £14,250,000).

12 Transition to FRS 101

There has been no financial impact on the opening or closing assets and liabilities of the company following the adoption of FRS 101 for the first time in these accounts.

13 Related party transactions

The company has taken advantage of the exemption in FRS 101 Section 8 from disclosing transactions with other members of the Group.

14 Parent and ultimate parent undertaking

The company's immediate parent is Impellam Holdings Limited.

The Company's ultimate parent undertaking, Impellam Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Impellam Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ. Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

At 2 January 2016, the Lombard Trust was interested in and controlled 51.9% of Impellam Group Plc.