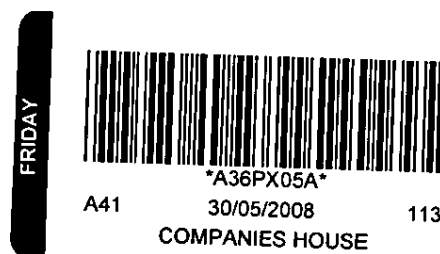


BROADSTONER HOLDINGS PLC

DIRECTORS' REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31st JANUARY 2008**



Company Number 668692

BROADSTONER HOLDINGS PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st JANUARY 2008

The directors present their annual report and the audited financial statements of the Company for the year ended 31st January 2008 which are set out on pages 6 to 11

Review of activities

The Company did not trade during the year and due to the nature of its activity, there are no key performance indicators which are monitored by the directors. For the year ended 31st January 2008, the Company made a loss of £150,000 (2007 £150,000)

The directors recommend that no ordinary dividend be declared

Directors

P L Peters
M Seal

At no time during the year did any director of the Company have an interest in the share capital of the Company

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Company secretary and registered office

M Seal
Third Floor
86 Jermyn Street
London
SW1Y 6JD

Registrars

Computershare Investor Services plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 7NH

BROADSTONER HOLDINGS PLC

REPORT OF THE DIRECTORS (continued) FOR THE YEAR ENDED 31st JANUARY 2008

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

Solicitors

Dechert LLP
160 Queen Victoria Street
London
EC4Y 4QQ

Corporate governance

The directors of the Company fully support the principles of the Code of Best Practice as set out in the June 2006 FRC Combined Code on Corporate Governance

Broadstoner Holdings plc has no continuing trading activities. The directors thus consider it inappropriate to re-create the formal governance structures previously provided by Sears plc (now Sears Limited) or to establish specific procedures to ensure compliance with the Combined Code provisions

BROADSTONER HOLDINGS PLC

REPORT OF THE DIRECTORS (continued) FOR THE YEAR ENDED 31st JANUARY 2008

Statement of directors' responsibilities in respect of the preparation of financial statements

The following statement, which should be read in conjunction with the report of the auditors set out on pages 4 and 5, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements

The Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the period to that date. In preparing those financial statements the Directors are required

- to select suitable accounting policies and then apply them consistently,
- to make judgements and estimates that are reasonable and prudent,
- to state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements of the Company comply with the Companies Act 1985. The Directors 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.

By order of the board



M Seal
Secretary
17th April 2008

BROADSTONER HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADSTONER HOLDINGS PLC

We have audited the financial statements of Broadstoner Holdings plc for the year ended 31 January 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

BROADSTONER HOLDINGS PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROADSTONER HOLDINGS PLC (continued)

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
24th April 2008

BROADSTONER HOLDINGS PLC

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st JANUARY 2008**

	Notes	2008 £'000	2007 £'000
Interest payable	3	(150)	(150)
Loss on ordinary activities before taxation		(150)	(150)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		(150)	(150)

The Company has no recognised gains or losses, nor historical cost profits or losses other than those reported above. Therefore separate statements of total recognised gains and losses and historic cost profits and losses are not required.

BROADSTONER HOLDINGS PLC

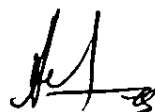
**BALANCE SHEET
AS AT 31st JANUARY 2008**

	Notes	2008 £'000	2007 £'000
Current assets			
Debtors amounts due within one year			
Due from parent undertaking		40,205	40,355
Current liabilities			
Creditors amounts due within one year			
Accruals		(13)	(13)
Net current assets		40,192	40,342
Creditors: amounts due after more than one year	5	(2,500)	(2,500)
Net assets		37,692	37,842
Capital and reserves			
Called up share capital	6	28,125	28,125
Share premium account		2,441	2,441
Profit and loss reserve	7	7,126	7,276
Total shareholders' funds		37,692	37,842

The financial statements on pages 6 to 11 were approved by the Board of Directors on 17th April 2008 and were signed on its behalf by



M Seal
Director



P L Peters
Director

BROADSTONER HOLDINGS PLC

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31st JANUARY 2008**

	2008	2007
	£'000	£'000
Loss on ordinary activities	(150)	(150)
Net decrease in shareholders' funds	(150)	(150)
Opening shareholders' funds	37,842	37,992
Closing shareholders' funds	37,692	37,842

BROADSTONER HOLDINGS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JANUARY 2008

Statement of accounting policies

Basis of accounts

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards

The Company has reviewed its accounting policies in line with Financial Reporting Standard 18 "Accounting Policies" during the year, and is satisfied that it has adopted the most appropriate. The principal accounting policies, which have been applied consistently with the prior year, are set out below

Because the Company has not traded during the year and its net assets comprise principally intercompany assets, there are no significant accounting policies

Cash flow statement and related parties

The Company is a wholly-owned subsidiary of January Investments Limited and is included in the consolidated financial statements of January Investments Limited. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the January Investments Limited Group

Financial instruments

Non-equity shares are classified as creditors in the financial statements in accordance with FRS 25. Dividends paid on non-equity shares are included within interest payable in the profit and loss account. Dividends are recognised in the period in which they are accumulated, in accordance with FRS 21

Taxation

Taxation provided is that chargeable on the profits of the period, together with deferred taxation

Deferred taxation is provided in full on timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations. In accordance with FRS 19, the Company has chosen not to discount deferred tax assets and liabilities

BROADSTONER HOLDINGS PLC

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31st JANUARY 2008

1. Auditors' remuneration

Audit fees in the amount of £1,000 for the current year have been charged in the accounts of a fellow subsidiary undertaking (2007 – £1,000)

2. Directors' and employees' emoluments

The Company has no employees (2007 - none)

The Directors received no remuneration in respect of their services to the Company (2007 - £nil)

3. Interest payable

	2008	2007
	£'000	£'000
Paid 6p per £1 preference share (2007 - 6p)	150	150

4. Tax on loss on ordinary activities

Within the group of which the Company is a member, it is estimated that the year's tax losses available for group relief will exceed taxable profits. As it continues to be group policy that no payment is made between group companies for the use of group relief, no current UK corporation tax charge or credit arises for the year (2007 – £nil)

5. Creditors: amounts due after more than one year

	2008	2007
	£'000	£'000
6% Cumulative preference shares of £1 each	2,500	2,500

6. Share capital

		2008	2007
	Shares	£'000	£'000
Authorised, allotted and fully paid			
Ordinary shares of 25p each	112,500,000	28,125	28,125

BROADSTONER HOLDINGS PLC

NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31st JANUARY 2008**7. Profit and loss reserve**

	£'000
At 1st February 2007	7,276
Loss for the financial year	(150)
At 31st January 2008	7,126

8. Ultimate controlling party

The immediate holding company is Sears Limited, a company incorporated in England which the directors regard as being ultimately controlled by the Trustees of the David and Frederick Barclay Family Settlements. The accounts of January Investments Limited are the first consolidated accounts incorporating the results of the Company.