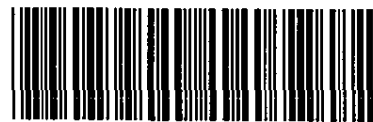


Austin Benn Group Limited

Directors' Report and Financial Statements
for the Year Ended 31 December 2009

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Austin Benn Group Limited

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Austin Benn Group Limited
Company Information

Directors	A Burchall D M C Doyle (resigned 14 May 2009) R J Watson
Secretary	R J Watson
Registered office	800 The Boulevard Capability Green Luton LU1 3BA
Bank	Barclays Bank plc 1 Churchill Place London E14 5HP
Auditors	PricewaterhouseCoopers LLP 10 Bricket Road St Albans AL1 3JX

Austin Benn Group Limited
Directors' Report for the Year Ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

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 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 those financial statements, 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,
- prepare the financial statements on a 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement regarding disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all the 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 auditors are aware of that information.

Principal activity

The principal activity of the company is that of a holding company and this is expected to continue into the future.

Business review and future developments

The directors are satisfied with the performance of the company and expect no change in the foreseeable future.

Results and dividends

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend (2008 - £nil).

Austin Benn Group Limited
Directors' Report for the Year Ended 31 December 2009

continued

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 facing the business

The principal risks and uncertainties of the group, which include those of the company, are discussed in the Group Financial Director's Report in the group's annual report which does not form part of this report. 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.

Donations

There were no charitable or political donations made by the company in either 2009 or 2008.

Directors

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

- A Burchall
- D M C Doyle (resigned 14 May 2009)
- R J Watson

Directors' indemnity provisions

During the year and to the date of these accounts, the group 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.

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and so are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

Election to dispense laying accounts

The company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting.

By order of the Board



A Burchall
Director

Date 16 Apr 2010

**Independent Auditors' Report to the Members of
Austin Benn Group Limited**

We have audited the financial statements of Austin Benn Group Limited for the year ended 31 December 2009 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, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 December 2009 and of its result 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.

James French
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

Date

Austin Benn Group Limited
Profit and Loss Account for the Year Ended 31 December 2009

	Note	2009 £ 000	2008 £ 000
Turnover		-	-
Operating profit		<u>-</u>	<u>-</u>
Interest payable and similar charges	5	(518)	(940)
Loss on ordinary activities before taxation		<u>(518)</u>	<u>(940)</u>
Tax on loss on ordinary activities	6	-	302
Loss for the financial year	11	<u><u>(518)</u></u>	<u><u>(638)</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

There is no difference between the results reported above and their historical cost equivalents

Austin Benn Group Limited
Registration number. 2705037
Balance Sheet as at 31 December 2009

		2009	2008
	Note	£ 000	£ 000
Fixed assets			
Investments	7	924	924
Creditors: Amounts falling due within one year	8	<u>(17,402)</u>	<u>(16,884)</u>
Net liabilities		<u>(16,478)</u>	<u>(15,960)</u>
Capital and reserves			
Called up share capital	10	977	977
Profit and loss reserve	11	<u>(17,455)</u>	<u>(16,937)</u>
Shareholders' deficit	12	<u>(16,478)</u>	<u>(15,960)</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 16 April 2010 and were signed on its behalf by



A Burchall
Director

Austin Benn Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 2006. The principal accounting policies have been applied consistently during the year and are set out below.

Going concern

These financial statements have been prepared on the going concern basis.

As at 31 December 2009 the company had net liabilities amounting to £16,478,000. 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 a period of at least twelve months from the date the accounts are signed. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis.

Fixed asset 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.

Taxation

Current tax is recognised at the amounts estimated to be payable or recoverable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised, subject to certain exceptions, in respect of all material timing differences between the recognition of gains and losses in the accounts and for tax purposes. Those timing differences recognised may include accelerated capital allowances, unrelieved tax losses and short term timing differences. Timing differences not recognised include those relating to the revaluation of fixed assets in the absence of a commitment to sell the revalued assets and the gain on sale of assets rolled over into replacement assets in the absence of a commitment to sell the replacement assets.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard No. 1 (revised 1996) not to publish a cash flow statement as it is a wholly owned subsidiary of Impellam Group plc, which has prepared consolidated financial statements which are publicly available.

Consolidation

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group accounts because it is a wholly owned subsidiary of Impellam Group plc which prepares consolidated accounts which are publicly available. Accordingly, these accounts are those of the company and not of its group.

Austin Benn Group Limited
Notes to the Financial Statements for the Year Ended 31 December 2009

continued

2 Auditors' remuneration

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

3 Particulars of employees

Other than the directors, the company had no employees throughout the year

4 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 year (2008: £nil)

5 Interest payable and similar charges

	2009 £ 000	2008 £ 000
Interest on loans from group undertakings	<u>518</u>	<u>940</u>

6 Taxation

Analysis of current period tax credit

	2009 £ 000	2008 £ 000
Current tax		
Group relief receivable	<u>-</u>	<u>(302)</u>

The effective current tax rate on the loss on ordinary activities before tax can be reconciled to the standard rate of corporation tax (taken to be the standard rate of corporation tax in the UK) as follows

	2009 %	2008 %
Standard rate of tax	28.0	28.5
Transfer pricing adjustments (see below)	35.7	11.3
Effect of not paying for group relief at the standard rate of tax	<u>(63.7)</u>	<u>(7.6)</u>
Effective current tax rate	<u>-</u>	<u>32.2</u>

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 has become entitled to a tax deduction for deemed interest payable that has not been recognised in the accounts.

Austin Benn Group Limited
Notes to the Financial Statements for the Year Ended 31 December 2009

continued

7 Investments held as fixed assets

	Group shares £ 000
Cost	
As at 1 January 2009 and 31 December 2009	<u>5,500</u>
Provision	
As at 1 January 2009 and 31 December 2009	<u>4,576</u>
Net book value	
As at 31 December 2009	<u>924</u>
As at 31 December 2008	<u>924</u>

The company holds more than 20% of the share capital of the following company

	Country of incorporation	Principal activity	Class	%
Subsidiary undertakings				
G W Nine Limited	England & Wales	Dormant	Ordinary	100

8 Creditors Amounts falling due within one year

	2009 £ 000	2008 £ 000
Other loans	10,100	10,100
Amounts owed to group undertakings	<u>7,302</u>	<u>6,784</u>
	<u>17,402</u>	<u>16,884</u>

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

a) Included in other loans in 2008 are £9,500,000 of loan notes to fellow subsidiary undertakings. Interest on these loan notes is at the rate of 4% per year above the floating six months LIBOR rate and is payable on 30 June and 31 December in each year. The loan notes were due for repayment on 15 September 1999. The holder of the loan notes has agreed not to seek immediate repayment at present.

b) Included in other loans in 2008 is a loan from the parent company of £600,000. This loan bears interest at 1% above the Royal Bank of Scotland base rate and is repayable on demand.

Austin Benn Group Limited
Notes to the Financial Statements for the Year Ended 31 December 2009

continued

9 Maturation of borrowings

Amounts repayable

	Other loans £ 000
As at 31 December 2009	
In one year or less on demand	10,100
	<u>10,100</u>
As at 31 December 2008	
In one year or less on demand	10,100
	<u>10,100</u>

10 Share capital

	2009 £	2008 £
Authorised		
Equity		
977,000 Ordinary shares of £1 each	<u>977,000</u>	<u>977,000</u>
Allotted, called up and fully paid		
Equity		
976,766 Ordinary shares of £1 each	<u>976,766</u>	<u>976,766</u>

11 Reserves

	Profit and loss reserve £ 000
Balance at 1 January 2009	(16,937)
Transfer from profit and loss account for the year	(518)
Balance at 31 December 2009	<u>(17,455)</u>

12 Reconciliation of movements in shareholders' funds

	2009 £ 000	2008 £ 000
Loss attributable to members of the company	(518)	(638)
Opening shareholders' deficit	(15,960)	(15,322)
Closing shareholders' deficit	<u>(16,478)</u>	<u>(15,960)</u>

Austin Benn Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2009

continued

13 Contingent liabilities

The company has given cross guarantees as follows

a) As part of the group's invoice discounting facility of the group of which the company is a member, the net aggregate amount outstanding against this facility at 31 December 2009 was £50,438,632 (2008 £47,711,535)

b) In respect of the group's £45 million 10 per cent guaranteed secured notes due 2011, the net aggregate amount outstanding at 31 December 2009 was £20,000,000 (2008 £20,000,000)

14 Related parties

Controlling entity

The company's immediate parent undertaking is The Corporate Services Group Limited, a company incorporated in Great Britain

The directors regard Impellam Group plc, a company incorporated in Great Britain, as the ultimate parent undertaking. This is also the parent undertaking of the largest and smallest group which includes the company and for which group accounts are prepared. Copies of the group accounts of Impellam Group plc will be delivered to, and be available from, the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ

At 31 December 2009, Lord Ashcroft, KCMG was interested in and controlled 57.2% of Impellam Group plc. On 6 April 2010, following a transfer of an indirect interest in the Company, Lord Ashcroft no longer had a beneficial interest in the Company. The transfer of this indirect interest was made to the Lombard Trust (the "Trust") which now has a beneficial interest of 57.2%, representing its entire interest in the Company. The beneficiaries of the Trust are Lord Ashcroft's children and remoter issue.

Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group undertakings under the provisions of Financial Reporting Standard No. 8 "Related Party Disclosures"