

Draefern Holdings Limited

**Directors' report and financial
statements**

Registered number 2836088

31 December 2004



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Directors' report

The directors present their report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2004.

Principal activity and review of the business

The company's principal activity during the year was that of an investment company.

Results and dividends

The result for the year after taxation was £nil (2003: £nil). The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were as follows:

J Hardy
I Thornley

None of the directors who held office at the year end had any disclosable interest in the shares of the company. Their interest in the shares of the ultimate parent company are disclosed in the accounts of that company.

By order of the Board

J Hardy
Director



Draefern House
Dunston Court
Dunston Road
Chesterfield
Derbyshire
S41 8NL

29 March 2005

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



KPMG LLP

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Leeds
LS1 4DW
United Kingdom

Report of the independent auditor to the members of Draefern Holdings Limited

We have audited the financial statements on pages 4 to 8.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

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 of the state of the company's affairs as at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

29 March 2005

Profit and loss account
for the year ended 31 December 2004

	<i>Notes</i>	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Income from shares in group undertakings		-	-
Profit on sale of assets		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
Retained profit for the year		-	-
		<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

The company has no recognised gains or losses other than those shown above.

Balance sheet
at 31 December 2004

	<i>Note</i>	31 December 2004 £	31 December 2003 £
Fixed assets			
Investments	5	100	100
		<hr/> 100	<hr/> 100
Current assets			
Debtors	6	138,890	138,890
		<hr/> 138,890	<hr/> 138,890
Creditors: amounts falling due within one year	7	(25,616)	(25,616)
		<hr/>	<hr/>
Net current assets		113,274	113,274
Total assets less current liabilities		<hr/> 113,374	<hr/> 113,374
Net assets		<hr/> <hr/> 113,374	<hr/> <hr/> 113,374
Capital and reserves			
Called up share capital	8	50,000	50,000
Share premium account		20	20
Profit and loss account	9	63,354	63,354
		<hr/>	<hr/>
Equity shareholders' funds		<hr/> <hr/> 113,374	<hr/> <hr/> 113,374

The financial statements on pages 4 to 8 were approved by the board of directors on 29 March 2005 and signed on its behalf by:



I Thornley
Director

The accompanying notes are an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been used consistently in the year and the previous period in dealing with items which are considered material to the company's affairs.

Basis of preparation

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

The company has taken advantage of the exemption of preparing consolidated financial statements afforded by Section 228 of the Companies Act because it is a wholly owned subsidiary of Right4Staff Holdings Limited, which prepares consolidated financial statements which are publicly available.

Tangible fixed assets and depreciation

Freehold land and buildings are not depreciated.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Cash flow

Under the provision of FRS 1 (Revised) "Cash flow statements", the company has not prepared a cash flow statement because its ultimate parent undertaking, Right4Staff Holdings Limited, a company incorporated in the United Kingdom, has prepared consolidated financial statements which are publicly available.

2 Staff costs

All staff costs are borne by another group company. For directors costs see note 4. The average monthly number of employees including executive directors was 2 (2003: 2).

3 Profit on ordinary activities before taxation

The audit fee is borne by a fellow group company.

4 Directors' emoluments

None of the named directors of the company that served during the year received remuneration from the company (2003: £nil). All employment costs attributable to directors are borne by a fellow group company.

Notes *(continued)*

5 Fixed asset investments

	31 December 2004 £	31 December 2003 £
Subsidiary undertaking	100	100

Subsidiary undertaking	Country of incorporation and operation	Principal activity	Holding	%
Draefern Limited	Great Britain	Staff agency	Direct	100

6 Debtors

	31 December 2004 £	31 December 2003 £
Amounts owed by group undertakings	138,890	138,890

7 Creditors: amounts falling due within one year

	31 December 2004 £	31 December 2003 £
Amount owed to subsidiary undertaking		-
Corporation tax	25,616	25,616

8 Called-up share capital

	31 December 2004 £	31 December 2003 £
<i>Authorised</i>		
Ordinary shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	50,000	50,000

Notes (continued)

9 Reserves

	31 December 2003 £
At 31 December 2003	63,354
Retained profit for the year	-
	<hr/>
At 31 December 2004	63,354 <hr/>

10 Ultimate controlling party

The company is a subsidiary undertaking of Epoch 2 Limited incorporated in the UK. The ultimate parent undertaking and controlling party is Right4Staff Holdings Limited a company incorporated in the UK.

The largest group in which the results of the company are consolidated is Right4Staff Holdings Limited whose financial statements are available to the public. Copies can be requested from the Company Secretary at Draefern House, Dunston Court, Dunston Road, Chesterfield, Derbyshire S41 8NL.

As a subsidiary undertaking of Right4Staff Limited the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Right4Staff Holdings Limited.