

Draefern Holdings Limited

**Directors' report and financial
statements**

Registered number 2836088

31 December 2007

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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 2007

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 (2006 loss of £107) The directors do not recommend the payment of a dividend

Directors

The directors who served during the year were as follows

J Hardy
P Smith
J Watts

Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company, is to be proposed at the forthcoming Annual General Meeting



J Watts
Director

Draefern House
Dunston Court
Dunston Road
Chesterfield
Derbyshire
S41 8NL

25 March 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Draefern Holdings Limited

We have audited the financial statements of Draefern Holdings Limited for the year ended 31 December 2007 which comprise the primary statements such as the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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.

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.

Independent auditors' report to the members of Draefern Holdings Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

25 March 2008

Profit and loss account
for the year ended 31 December 2007

| | <i>Notes</i> | Year ended 31 December 2007 £ | Year ended 31 December 2006 £ |
|---|--------------|--|--|
| Administrative expenses | | - | (107) |
| Profit/(loss) on ordinary activities before taxation | <i>3</i> | - | (107) |
| Tax on profit/(loss) on ordinary activities | <i>4</i> | - | - |
| Profit/(loss) for the financial period | <i>9</i> | - | (107) |

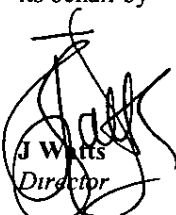
The accompanying notes are an integral part of these financial statements

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

Balance sheet
at 31 December 2007

| | <i>Note</i> | 31 December 2007 £ | 31 December 2006 £ |
|--|-------------|--------------------------|--------------------------|
| Fixed assets | | | |
| Investments | 6 | 100 | 100 |
| | | <hr/> 100 | <hr/> 100 |
| Current assets | | | |
| Debtors | 7 | 138,690 | 138,690 |
| Cash at bank and in hand | | 93 | 93 |
| | | <hr/> 138,783 | <hr/> 138,783 |
| Net current assets | | <hr/> 138,783 | <hr/> 138,783 |
| Total assets less current liabilities | | <hr/> 138,883 | <hr/> 138,883 |
| Net assets | | <hr/> <hr/> 138,883 | <hr/> <hr/> 138,883 |
| Capital and reserves | | | |
| Called up share capital | 8 | 50,000 | 50,000 |
| Share premium account | | 20 | 20 |
| Profit and loss account | 9 | 88,863 | 88,863 |
| | | <hr/> 138,883 | <hr/> 138,883 |
| Equity shareholders' funds | | <hr/> <hr/> 138,883 | <hr/> <hr/> 138,883 |

The financial statements on pages 5 to 10 were approved by the board of directors on 25 March 2008 and signed on its behalf by


J Watts
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 applied consistently in dealing with items which are considered material in relation to the financial statements

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

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Staff costs

All staff costs are borne by another group company. For directors costs see note 5. The average monthly number of employees including executive directors was 2 (2006: 2)

Notes (continued)

3 Loss on ordinary activities before taxation

The audit fee is borne by a fellow group company

4 Taxation

Analysis of charge in period

| | Year ended 31 December 2007 £ | Year ended 31 December 2006 £ |
|---|--|--|
| <i>UK corporation tax</i> | | |
| Current tax | - | (32) |
| Adjustments in respect of prior periods | - | 32 |
| | <hr/> | <hr/> |
| Total current tax | - | - |
| | <hr/> | <hr/> |

Factors affecting the tax charge for the current year

The current tax charge for the year is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

| | Year ended 31 December 2007 £ | Year ended 31 December 2006 £ |
|--|--|--|
| <i>Current tax reconciliation</i> | | |
| Loss on ordinary activities before tax | - | (107) |
| | <hr/> | <hr/> |
| Current tax at 30% | - | (32) |
| | <hr/> | <hr/> |
| <i>Effects of</i> | | |
| Adjustments to tax charge in respect of previous periods | - | 32 |
| | <hr/> | <hr/> |
| Total current tax | - | - |
| | <hr/> | <hr/> |

5 Directors' emoluments

None of the named directors of the company that served during the year received remuneration from the company (2006 £nil) All employment costs attributable to directors are borne by a fellow group company

Notes (continued)

6 Fixed asset investments

| | 31 December 2007 £ | 31 December 2006 £ |
|------------------------|--------------------------|--------------------------|
| Subsidiary undertaking | 100 | 100 |

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

7 Debtors

| | 31 December 2007 £ | 31 December 2006 £ |
|------------------------------------|--------------------------|--------------------------|
| Amounts owed by group undertakings | 138,690 | 138,690 |

8 Called-up share capital

| | 31 December 2007 £ | 31 December 2006 £ |
|---|--------------------------|--------------------------|
| <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 2007 £ |
|--|--------------------------|
| At 31 December 2006 | 88,863 |
| Profit/(loss) for the financial period | - |
| | <hr/> |
| At 31 December 2007 | 88,863 |
| | <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 Draefem 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.