

**Draefern Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 2836088**

**31 December 2002**



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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 2002.

### Principal activity and review of the business

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

On the 19 March 2002 the company was sold by AHL Europe Limited to Alchemy partners and existing management.

### Results and dividends

The result for the year after taxation was £5,956 (2001: £nil). The directors paid a dividend for the year of £3,699,414 to AHL Europe Limited (2001: £nil).

### Directors

The directors who served during the year were as follows:

E Patterson	(resigned 19 March 2002)
K Fanklin	(resigned 19 March 2002)
J Hardy	
G Wilson	(resigned 28 February 2001)
I Thornley	(appointed 19 March 2002)

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

1 May 2003

## 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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Neville Street  
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 9.

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 2002 and of its profit 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

1 May 2003

**Profit and loss account**  
*for the year ended 31 December 2002*

	<i>Notes</i>	<b>Year ended 31 December 2002 £</b>	<b>Year ended 31 December 2001 £</b>
Income from shares in group undertakings		3,699,414	-
Profit on sale of assets		5,956	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	3,705,370	-
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		3,705,370	-
Dividend paid		(3,699,414)	-
		<hr/>	<hr/>
<b>Retained profit for the year</b>		<u>5,956</u>	<u>-</u>

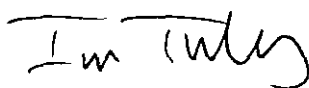
The accompanying notes are an integral part of these financial statements.

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

**Balance sheet**  
*at 31 December 2002*

	<i>Note</i>	31 December 2002 £	31 December 2001 £
<b>Fixed assets</b>			
Tangible fixed assets	6	-	181,644
Investments	7	100	100
		<hr/> 100	<hr/> 181,744
<b>Current assets</b>			
Debtors	8	138,890	-
		<hr/> 138,890	<hr/> -
<b>Creditors: amounts falling due within one year</b>	9	(25,616)	(74,326)
		<hr/>	<hr/>
<b>Net current assets</b>		113,274	(74,326)
<b>Total assets less current liabilities</b>		113,374	107,418
		<hr/>	<hr/>
<b>Net assets</b>		113,374	107,418
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	10	50,000	50,000
Share premium account		20	20
Profit and loss account	11	63,354	57,398
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		113,374	107,418
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 4 to 9 were approved by the board of directors on 1st May 2003 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, except FRS 19 'Deferred Tax' which has been applied for the first time this year.

#### *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 (2001: 4).

### 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 (2001: £nil). All employment costs attributable to directors are borne by a fellow group company.



**Notes** *(continued)*

**5 Tax on profit on ordinary activities**

Analysis of charge in period

	Year ended 31 December 2002 £	Year ended 31 December 2001 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

*Factors affecting the tax charge for the current year*

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

	Year ended 31 December 2002 £	Year ended 31 December 2001 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,705,370	-
	<hr/>	<hr/>
Current tax at 30%	1,111,611	-
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(1,787)	-
Income not taxable	(1,109,824)	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

**6 Tangible fixed assets**

	Land and buildings £
<b>Cost and net book value</b>	
At 1 January 2002	181,644
Disposals	(181,644)
	<hr/>
At 31 December 2002	-
	<hr/>

On 12 March 2002 the freehold land and buildings were sold to the previous owners.

**Notes (continued)**

**7 Fixed asset investments**

	31 December 2002 £	31 December 2001 £
Subsidiary undertaking	100	100

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

**8 Debtors**

	31 December 2002 £	31 December 2001 £
Amounts owed by group undertakings	138,890	-

**9 Creditors: amounts falling due within one year**

	31 December 2002 £	31 December 2001 £
Amount owed to subsidiary undertaking	-	74,326
Corporation tax	25,616	-

**10 Called-up share capital**

	31 December 2002 £	31 December 2001 £
<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)*

**11 Reserves**

	31 December 2002 £
At 1 January 2002	57,398
Retained profit for the year	5,956
	<hr/>
At 31 December 2002	63,354
	<hr/>

**12 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 parties disclosure" from disclosing transactions with other members of the group headed by Right4Staff Holdings Limited.