

**STAFFTRADE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**30TH JUNE 2001**

**Company Registration Number 2841230**



**SHAH DODHIA & CO**  
Chartered Accountants & Registered Auditors  
First Floor  
22 Stephenson Way  
Euston  
London  
NW1 2LE

**STAFFTRADE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH JUNE 2001**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	1
Auditors' report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6

**STAFFTRADE LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 30TH JUNE 2001**

The directors present their report and the financial statements of the company for the year ended 30th June 2001.

**PRINCIPAL ACTIVITIES**

The principal activity of the company continues to be that of a property investment company.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year were as follows:

Mr J W Boulton  
Yuills Limited  
West Central Developments Limited

The present directors are also directors of the parent company, Posthold Limited and their interests in the shares of Posthold Limited at 30 June 2001 and 30 June 2000 were as follows:

**Ordinary Shares of 1 pence each**

J. W Boulton	393,244
Yuills Limited	236,606
West Central Developments Limited	370,150

**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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

**AUDITORS**

In accordance with Section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to re-appoint the auditors annually.

KPMG resigned as joint auditors and Shah Dodhia & Co, previously joint auditors, became sole auditors with effect from 26 July 2002.

**STAFFTRADE LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 30TH JUNE 2001**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
126 Kew Road  
Richmond  
Surrey  
TW9 2AU

Signed on behalf of the directors



J W BOULTON  
Director

Approved by the directors on <sup>9</sup>..... October 2002

**STAFFTRADE LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 30TH JUNE 2001**

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 6 to 7.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 30th June 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



First Floor  
22 Stephenson Way  
Euston  
London, NW1 2LE

SHAH DODHIA & CO  
Chartered Accountants  
& Registered Auditors

..11.. October 2002

**STAFFTRADE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30TH JUNE 2001**

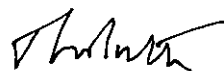
	Note	2001 £	2000 £
<b>NET PROFIT FROM PROPERTIES</b>	<b>2</b>	<b>10,444</b>	<b>14,793</b>
Cost of sales		<u>14,400</u>	<u>—</u>
<b>GROSS (LOSS)/PROFIT</b>		<b>(3,956)</b>	<b>14,793</b>
Administrative expenses		<u>2,730</u>	<u>3,432</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>4</b>	<b>(6,686)</b>	<b>11,361</b>
Profit on disposal of fixed assets		138,385	11,813
Provisions for liabilities and charges		<u>(180,000)</u>	<u>—</u>
		<b>(48,301)</b>	<b>23,174</b>
Interest receivable	<b>6</b>	374,540	295,818
Interest payable and similar charges		<u>(91,635)</u>	<u>(59,703)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>234,604</b>	<b>259,289</b>
Tax on profit on ordinary activities	<b>8</b>	<u>—</u>	<u>—</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>234,604</b>	<b>259,289</b>
Balance brought forward		<u>(5,130,369)</u>	<u>(5,389,658)</u>
Balance carried forward		<u><b>(4,895,765)</b></u>	<u><b>(5,130,369)</b></u>

**STAFFTRADE LIMITED**  
**BALANCE SHEET**  
**YEAR ENDED 30TH JUNE 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investment Properties	9	934,688	470,078
<b>CURRENT ASSETS</b>			
Debtors	10	3,083,828	3,229,041
Cash at bank		909	4,642
		<u>3,084,737</u>	<u>3,233,683</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>8,735,189</u>	<u>8,834,129</u>
<b>NET CURRENT LIABILITIES</b>		<u>(5,650,452)</u>	<u>(5,600,446)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(4,715,764)</u>	<u>(5,130,368)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	12	<u>180,000</u>	<u>—</u>
		<u>(4,895,764)</u>	<u>(5,130,368)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	15	1	1
Profit and Loss Account		<u>(4,895,765)</u>	<u>(5,130,369)</u>
<b>DEFICIENCY</b>		<u>(4,895,764)</u>	<u>(5,130,368)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on 9 October, 2002 and are signed on their behalf by:



.....  
 MR J W BOULTON

**STAFFTRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE 2001**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, except for the valuation of investment properties noted below, which constitutes a departure from the provisions of Schedule 4, Companies Act 1985 and which in the opinion of directors is required to give a true and fair view. The accounts have been prepared on a going concern basis as the company's holding company and its bankers have agreed to continue to provide finance to support the company's operations.

**(b) Investments**

In accordance with Statement of Standard Accounting Practice No 19 - Accounting for investment properties:

i. investment properties are revalued periodically at open market values. Surpluses and deficits arising and the aggregate surplus or deficit is transferred to the revaluation reserve except than any permanent diminution in the value of an investment property is taken to the profit and loss account for the year; and

ii. no depreciation or amortisation is provided in respect of freehold investment properties.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Cash flow statement**

In accordance with Financial Reporting Standard No.1 (Revised 1996). "Cash Flow Statements", the company is not required to publish a cash flow statement as the information is included in the consolidated cash flow statement of the ultimate parent company.



**STAFFTRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE 2001**

**2. NET PROFIT FROM PROPERTIES**

	2001 £	2000 £
Rental Income	<u>10,444</u>	<u>14,794</u>

**3. COST OF SALES**

Cost of sales comprises of property outgoings and profit on property trading.

**4. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging:

	2001 £	2000 £
Directors' emoluments	—	—
Auditors' fees	<u>1,556</u>	<u>1,883</u>

**5. EMPLOYEES' AND DIRECTORS' EMOLUMENTS**

No director received any emoluments in connection with his services to the company. During the year under review the company did not employ any staff.

**6. INTEREST RECEIVABLE**

	2001 £	2000 £
Bank interest receivable	174	4,579
Interest from group undertakings	<u>374,366</u>	<u>291,239</u>
	<u>374,540</u>	<u>295,818</u>

**7. INTEREST AND OTHER FINANCE CHARGES PAYABLE**

Interest and other finance charges payable relates to loans payable to the company's holding company, Posthold Limited.

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The company has made no charge or provision for taxation due to losses available within the group.

**STAFFTRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE 2001**

**9. INVESTMENT PROPERTIES**

	Total £
<b>COST:</b>	
At 1st July 2000	470,078
Additions	525,000
Disposals	(60,390)
At 30th June 2001	<u>934,688</u>
 <b>NET BOOK VALUE:</b>	
At 30th June 2001	<u>934,688</u>
At 30th June 2000	<u>470,078</u>

The investment properties are stated at directors' valuation at 30 June 2001.

**10. DEBTORS**

	2001 £	2000 £
Trade debtors	10,958	—
Amounts owed by group undertakings	3,072,870	3,229,040
	<u>3,083,828</u>	<u>3,229,040</u>

**11. CREDITORS: Amounts falling due within one year**

	2001 £	2000 £
Bank loans and overdrafts	203,585	461,585
Amounts owed to group undertakings	8,514,180	8,365,619
Other creditors	17,424	6,924
	<u>8,735,189</u>	<u>8,834,128</u>

**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	2001 £	2000 £
In respect of obligation taken over relating to litigation against a fellow group undertaking, other settlements, and associated legal costs	<u>180,000</u>	—

The information required by FRS 12, 'Provisions and contingent liabilities' is not disclosed on the grounds that disclosure of such information would seriously prejudice the position of the fellow group company with other parties. The amounts are anticipated to be expended in the next three years.

**STAFFTRADE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30TH JUNE 2001**

**13. CONTINGENCIES**

The company has granted a guarantee and debenture over the investment properties to secure the bank borrowings by its parent company. The contingent liability in respect of this at the year-end was £871,966 (2000: £ 7,171,966)

**14. RELATED PARTY TRANSACTIONS**

As the company is a wholly owned subsidiary of Posthold Ltd, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions on balances with entities which form part of the group headed by Posthold Ltd. The consolidated financial statements of Posthold Ltd, within which this company is included, can be obtained from 126 Kew Road, Richmond, Surrey TW9 2AU.

The directors confirm that there are no other related party transactions other than those disclosed in these accounts.

**15. SHARE CAPITAL****Authorised share capital:**

	2001	2000
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2001	2000
	£	£
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

**16. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Posthold Limited, which is incorporated in Great Britain and registered in England and Wales.

The results of the company are included in the group financial statements of Posthold Limited. The consolidated financial statements of Posthold Limited are available to the public and may be obtained from 126 Kew Road, Richmond, Surrey, TW9 2AU.