

Torex Retail (Non Trading Holdings) Limited

Financial statements

For the 18 month period ended 30 June 2007



Company No. 03639795

Officers and professional advisers

Company registration number	03639795
Registered office	Torex Retail (Non Trading Holdings) Limited Torex Houghton Hall Park Houghton Regis Dunstable Bedfordshire LU5 5YG
Directors	K Isaacson G Cooksley P Prince
Secretary	K Isaacson
Bankers	Royal Bank of Scotland Thames Valley Corporate Office Abbey Gardens 4 Abbey Street Reading Berkshire RG1 3BA
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

Contents

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Accounting policies	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 17

Report of the directors

The directors present their report and the financial statements of the company for the 18 month period ended 30 June 2007

Principal activities

The principal activity of the company during the period was to act as a non-trading intermediate holding company

On 19 June 2007, Torex Retail (Non Trading Holdings) Limited was acquired by Torex Retail Holdings Limited, a UK based company. Following this acquisition a decision was taken by the company directors to change the year end from 31 December 2006 to 30 June 2007, to align it with that of the company's new parent

Directors

The directors who served the company during the period were as follows

N D Horn
M C Pearman
M Leek
M G J Meade
R N W Mitchell
K W Taylor

G Cooksley was appointed as a director on 5 July 2007

K Isaacson was appointed as a director on 5 July 2007

P Prince was appointed as a director on 17 October 2007

M Greenough was appointed as a director on 5 July 2007 and resigned as a director on 17 October 2007

M Leek was appointed as a director on 4 December 2006 and resigned as a director on 17 October 2007

R N W Mitchell was appointed as a director on 4 December 2006 and resigned as a director on 31 May 2007

K W Taylor was appointed as a director on 13 February 2007 and resigned as a director on 19 June 2007

M C Pearman resigned as a director on 4 December 2006

N D Horn resigned as a director on 4 December 2006

M G J Meade resigned as a director on 16 January 2006

The interests of directors in the share capital and share options of the ultimate controlling party are disclosed in the accounts of Torex Retail Holdings Limited

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 judgements and estimates that are reasonable and prudent,
- 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 the financial statements comply with the Companies Act 1985. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial instruments

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of credit risk, is to require appropriate credit checks on potential customers before sales are made.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations.

Auditors

A resolution to re-appoint Grant Thornton UK LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


Graeme Cooksley

Director

Date 19.06.08

Report of the independent auditors to the members of Torex Retail (Non Trading Holdings) Limited

We have audited the financial statements of Torex Retail (Non Trading Holdings) Limited for the period ended 30 June 2007 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 15. 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 auditors' 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' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 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.

Report of the independent auditors to the members of Torex Retail (Non Trading Holdings) Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CENTRAL MILTON KEYNES

20 June 2008

Accounting policies

Basis of accounting

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

The principal accounting policies remain unchanged from the previous year and are set out below

Consolidation

Under the provisions of s228 of the Companies Act 1985 the company is exempt from the requirement to prepare consolidated accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company is required to prepare a cash flow statement under the provisions of the Financial Reporting Standard No 1 (Revised 1996). The company did not maintain a bank account in the period and had no cash flows. It therefore has not presented a cash flow statement.

Material non cash movements have been disclosed in the notes to the financial statements.

Investments

Investments are initially recognised at cost and are subsequently reviewed for impairment.

Going concern

The financial statements have been prepared on a going concern basis on the grounds that inter-company debt will not be recalled by the parent company until there are sufficient funds in place.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

		18 month period to 30 June 2007	Year ended 31 Dec 2005
	Note	£	£
Administrative expenses – exceptional item	2	(1,995)	–
Operating loss		(1,995)	–
Exceptional items	2	(12,602,201)	(167,854,836)
Interest payable and similar charges	3	(467,998)	(248,682)
Loss on ordinary activities before taxation		(13,072,194)	(168,103,518)
Tax on loss on ordinary activities	5	–	–
Loss for the period	12	(13,072,194)	(168,103,518)

All of the activities of the company are classed as discontinued

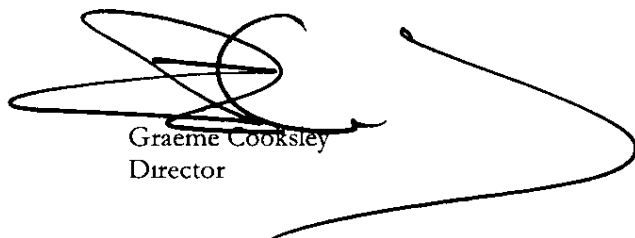
The company has no recognised gains or losses other than the results for the period as set out above

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	30 June 2007 £	31 Dec 2005 £
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	114,000	17,438,000
Creditors, amounts falling due within one year	8	(41,320,068)	(171,711,136)
Net liabilities		<u>(41,206,068)</u>	<u>(154,273,136)</u>
Capital and reserves			
Called-up equity share capital	10	692,313	692,313
Share premium account	12	126,500,262	361,000
Profit and loss account	12	(168,398,643)	(155,326,447)
Shareholders' funds	13	<u>(41,206,068)</u>	<u>(154,273,136)</u>

These financial statements were approved by the directors on **19 June 2008** and are signed on their behalf by


 Graeme Cooksley
 Director

Notes to the financial statements

1 Profit and loss account

The company acts as a non trading intermediate holding company and apart from the one off exceptional items and interest payable on preference shares reported in the profit and loss account the company did not trade during the year

2 Exceptional items

	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
Impairment of investment (note 6)	<u>12,602,201</u>	<u>167,854,836</u>
Impairment of amounts due from group undertakings (note 9)	<u>1,995</u>	<u>-</u>

3 Interest payable and similar charges

	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
Finance charges arising from preference shares	<u>467,998</u>	<u>248,687</u>

4 Directors emoluments

No directors received any remuneration from the company during the period Details of the remuneration received by former directors of the company from the former ultimate parent company, Torex Retail plc (in administration) are as follows

	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
Total emoluments excluding pension contributions	1,434,859	634,000
Value of company contributions to defined contribution schemes	64,124	33,000
Compensation for loss of office	<u>238,997</u>	<u>-</u>
	<u>1,737,980</u>	<u>667,000</u>

4 Directors emoluments (continued)

	18 month period to 30 June 2007 No.	Year ended 31 Dec 2005 No
Number of directors who received shares in respect of qualifying services	—	—
Number of directors who exercised share options	5	4
Number of directors accruing benefits under defined benefit schemes	—	—
	<hr/>	<hr/>
	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
In respect of the highest paid director		
Total emoluments excluding pension contributions	386,269	376,000
Value of company contributions to defined contribution schemes	36,669	18,000
Compensation for loss of office	163,860	—
	<hr/>	<hr/>
	586,798	394,000

5 Taxation on ordinary activities

(a) Analysis of charge in the period

Current tax	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
UK corporation tax based on the loss for the period at 30% (2005 30%)	—	—
Total current tax	—	—
Adjustments in respect of prior periods	—	—
Tax on loss on ordinary activities	—	—

(b) Reconciliation of the tax charge for the period

The current tax assessed for the period is lower than the standard of UK corporation tax in the UK of 30% (2005 30%) The difference relates to permanent disallowable expenditure

5 Taxation on ordinary activities (continued)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the period is nil

Current tax	18 month period to 30 June 2007 £	Year ended 31 Dec 2005 £
Loss on ordinary activities before taxation	(13,072,194)	(168,103,513)
Loss on ordinary activities multiplied by standard rate of taxation 30% (2005 30%)	(3,921,658)	(50,431,054)
Expenses not deductible for tax purposes	3,921,658	50,431,054
Total current tax (note 5(a))	-	-

6 Investments

	Shares in group undertakings £
Cost	
At 1 January 2006	167,855,831
Additions	12,602,201
At 30 June 2007	<u>180,458,032</u>
Impairment	
At 1 January 2006	(167,855,831)
Charge in the period	(12,602,201)
At 30 June 2007	<u>(180,458,032)</u>
Net Book value	
At 30 June 2007	<u>-</u>
At 1 January 2006	<u>-</u>

6 Investments (continued)

The company owns 100% of the share capital in the following companies at 30 June 2007

Company	Country of incorporation
ADS Anker Data Systems Limited	England
ADS Retail Systems Limited	England
Arciris (Holdings) Limited	England
Figure Retail Systems Limited	Northern Ireland
Hugin Sweda International Limited	England
KPOS Limited	England
MHG (Systems) Limited	England
MRS Software Limited	England
Peak Services Solutions Limited (*)	England
POS Group Limited	England
Retail Systems Support Limited	England
Schedule Works Limited	England
Systems Guidance Limited	England
Torex Retail Online Computer Services Limited	England
XN Limited (*)	England
ADS Anker Limited	England
Anker Limited	England
Compass Software Group Limited	England
Flexiline Forecourt Services Limited	England
Infocare Limited (*)	England
Mercury Petroleum Systems Limited	England
Moss House Group (Systems) Limited	England
PCS Trustee Limited (*)	England
Piquet Computer Services Limited (*)	England
Retail Accounting Systems Limited	England
Riva Electronics Limited	England
Sovereign Distribution Limited	England
Torex 100 Limited	England
Torex Retail (Services) Limited (*)	England

Companies marked (*) have been dissolved in the period since 30 June 2007. All companies were dormant and the investments fully impaired at 30 June 2007.

MC293 Limited was dissolved on 3 April 2007 and the investment was fully impaired at 1 January 2006.

The impairment relates to the additions made during the year. These are investments in dormant companies, and as such are deemed to have no value.

7 Debtors

	30 June 2007	31 Dec 2005
	£	£
Amounts receivable on allotment of shares	114,000	114,000
Amounts owed by group undertakings	—	17,324,000
	<u>114,000</u>	<u>17,438,000</u>

8 Creditors: amounts falling due within one year

	30 June 2007	31 Dec 2005
	£	£
Amounts owed to group undertakings	36,996,066	167,855,132
Shares classified as financial liabilities (note 10)	4,324,002	3,856,004
	<u>41,320,068</u>	<u>171,711,136</u>

9 Related party transactions

During the period the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 30 June 2007 are as follows

	Balance at 1 January 2006	Transfer in the period	Capitalised in the period	Other (see note below)	Balance at 30 June 2007
	£	£	£	£	£
Fellow group undertakings					
Arcins Limited	(2,186,154)	—	—	—	(2,186,154)
Torex Retail Solutions (AM) Limited	(10,344,962)	10,344,962	—	—	—
Torex Retail Solutions (Europe) Limited	(600,000)	—	—	—	(600,000)
Torex Retail Solutions (UK) Limited	(14,783,647)	(10,344,962)	—	—	(25,128,609)
Riva Group Limited	(9,079,002)	—	—	—	(9,079,002)
XN Limited	—	—	—	(2,000)	(2,000)
MC 293 Limited	(1)	—	—	—	(1)
Piquet Computer Services Limited	(100)	—	—	—	(100)
Peak Services Solutions Limited	(100)	—	—	—	(100)
Torex 100 Limited	(100)	—	—	—	(100)
PCS Trustees Limited	(1)	—	—	1	—
XN Checkout Holdings Limited	(4)	—	—	4	—
Former ultimate controlling party					
Torex Retail plc (in administration)	(113,537,061)	—	126,139,262	(12,602,201) ^a	—
Total	<u>(150,531,132)</u>	<u>—</u>	<u>126,139,262</u>	<u>(12,604,196)</u>	<u>(36,996,066)</u>

(a) Transfer of investment at cost from Torex Retail plc (in administration)

10 Share capital

Authorised share capital

	30 June 2007	31 Dec 2005
	£	£
12,336,865 Ordinary shares of £0.01 each	123,369	123,369
13,124,496 D Ordinary shares of £0.01 each	131,245	131,245
17,490,000 E ordinary shares of £0.01 each	174,900	174,900
22,000,000 F ordinary shares of £0.01 each	220,000	220,000
2,495,000 B Preference shares of £0.278 each	693,610	693,610
370,000 A Preference shares of £0.001 each	370	370
3,610,000 A Ordinary shares of £0.01 each	36,100	36,100
670,000 C Ordinary shares of £0.01 each	6,700	6,700
	<u>1,386,294</u>	<u>1,386,294</u>

Allotted, called up and fully paid

	30 June 2007		31 Dec 2005	
	No	£	No	£
Ordinary shares of £0.01 each	12,336,865	123,369	12,336,864	123,369
D Ordinary shares of £0.01 each	13,124,496	131,245	13,124,496	131,245
E ordinary shares of £0.01 each	17,490,000	174,900	17,490,000	174,900
F ordinary shares of £0.01 each	22,000,000	220,000	22,000,000	220,000
A Ordinary shares of £0.01 each	3,610,000	36,100	3,610,000	36,100
C Ordinary shares of £0.01 each	670,000	6,700	670,000	6,700
	<u>69,231,360</u>	<u>692,313</u>	<u>69,231,360</u>	<u>692,313</u>
Shares classed as financial liabilities				
B Preference shares of £0.278 each	2,495,000	693,610	2,495,000	693,610
A Preference shares of £0.001 each	370,000	370	370,000	370
	<u>2,865,000</u>	<u>693,980</u>	<u>2,865,000</u>	<u>693,980</u>

On 19 June 2007, a single ordinary share of £0.01 was issued to Torex Retail Holdings Limited (who prior to the issue already held 100% of the shares in issue). Consideration of £126,139,262 was received by waiver of the liability to Torex Retail plc (in administration) (Note 9).

Rights

In accordance with FRS 25 "Financial Instruments: disclosure and presentation", the company's preference shares are deemed to be debt instruments and are presented accordingly. As such, the liability attributable to these shares has been identified and is disclosed within creditors. The amount is shown as payable within one year as the shares were due to be redeemed as from 31 March 2004.

The redeemable non-participating preference shares have a preferential right to a predetermined dividend and have a predetermined fixed redemption date.

11 FRS 25- Presentation and disclosure of preference shares

In accordance with FRS 25, the company's preference shares are termed debt instruments. The debt component of the share is classed as financial liabilities and disclosed within creditors. There is no remaining equity component.

	30 June 2007	31 Dec 2005
	£	£
Financial liabilities relating to preference shares (note 7)	4,324,002	3,856,004
less Finance charge unpaid		
Cumulative finance charge unpaid to prior year	(3,162,024)	(2,913,342)
Finance charge - current year	(467,998)	(248,682)
Shares classed as financial liabilities (note 10)	<u>693,980</u>	<u>693,980</u>

12 Reserves

	Share premium account	Profit and loss account
	£	£
Balance brought forward	361,000	(155,326,449)
Premium on issue of share	126,139,262	—
Loss for the financial year	—	(13,072,194)
Balance carried forward	<u>126,500,262</u>	<u>(168,398,643)</u>

13 Reconciliation of movements in shareholders' funds

	18 month period to 30 June 2007	Year ended 31 Dec 2005
	£	£
Loss for the period	(13,072,194)	(168,103,518)
Allotment of shares	—	114,000
Premium on issue of share	126,139,262	—
Opening shareholders' funds	(154,273,136)	13,716,382
Closing shareholders' funds	<u>(41,206,068)</u>	<u>(154,273,136)</u>

14 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

A reconciliation of operating profit to net cash flow from operating activities has not been prepared as both figures are £nil (2005 both £nil). Furthermore, there were no other cash flows during the current reporting period, or the comparative period.

15 Ultimate Controlling Party

On 19 June 2007 Torex Retail Holdings Limited acquired substantially all of the subsidiaries of Torex Retail plc (in administration) including Torex Retail (Non Trading Holdings) Limited. In the opinion of the Directors, the ultimate controlling party of the company is currently Torex Retail Holdings Limited.

Torex Retail plc (in administration), last produced consolidated financial statements for the year ended 31 December 2005.

At the balance sheet date, the ultimate parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared and of which the company is a member was Torex Retail Holdings Limited, which is incorporated in England and Wales. Copies of the financial statements of Torex Retail Holdings Limited can be obtained from Torex Retail Holdings Limited, Houghton Hall Business Park, Houghton Regis, Dunstable, Bedfordshire, LU5 5YG.