

Planet Recruit Limited
(Registered Number 03712451)

Directors Report and Financial Statements
for the 16 Months ended 31 December 2004



Planet Recruit Limited

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Planet Recruit Limited

Directors and Advisors

Directors

A H Reeves
H I Sinclair
S Wright
A J Jewell (resigned 31 January 2004)

Secretary

Steve Wright

Registered office

Beaumont House
Kensington Village
Avonmore Road
London
W14 8TS

Registered number

03712451

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
The Atrium
1 Harefield Road
Uxbridge
UB8 1EX

Planet Recruit Limited

Directors' Report for 16 Months ended 31 December 2004

The directors present their report and the audited financial statements of the Company for the 16 months ended 31 December 2004.

Principal activity

The company's principal activity is the provision of online recruitment services.

Review of the business

The results for the period and the financial position at the period end were considered satisfactory by the directors. The directors are pleased with the ongoing integration of the company's operations into the online division of the hotgroup plc

Future developments

The directors look forward to the future with optimism.

Results and Dividends

The company's profit for the financial period was £350,968 (12 months ended 31 August 2003: £282,047), which will be added to reserves. The directors do not recommend the payment of a dividend (12 months ended August 2003: £Nil).

Directors

Directors who served the company up to the signing of the accounts were as follows:

A H Reeves

H I Sinclair

S Wright

A J Jewell (resigned 31 January 2004)

Directors Interests

A H Reeves and H Sinclair are also directors of the ultimate parent company during the period, the hotgroup plc, and their interests were disclosed in that company's accounts. The directors had no other interests in the company or any other body corporate in the group that are required to be disclosed under schedule 7 of the Companies Act 1985.

Planet Recruit Limited

Directors' Report for the 16 Months ended 31 December 2004 (Continued)

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 of the Company for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting practices and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare 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 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.

Auditors

During the period, Baker Tilly resigned as the company's auditors. PricewaterhouseCoopers LLP were appointed to fill the casual vacancy.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office. A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the annual general meeting in accordance with Section 235 of the Companies Act 1985.

Signed on behalf of the Board



Harvey Sinclair
Director

Planet Recruit Limited

Independent Auditors' Report to the Shareholders of Planet Recruit Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 at 31 December 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

West London



Planet Recruit Limited

Profit And Loss Account for the 16 months ended 31 December 2004

		16 months ended 31 December 2004 £	12 months ended 31 August 2003 £
	<i>Note</i>		
Turnover		853,347	531,445
Gross profit		853,347	531,445
Administrative costs – non exceptional		(535,357)	(206,421)
Administrative costs - exceptional	3	-	(103,903)
Total administrative costs		(535,357)	(310,324)
Operating Profit		317,990	221,121
Interest receivable and similar income		-	470
Profit on ordinary activities before taxation	3	317,990	221,591
Taxation on profit on ordinary activities	4	32,978	60,456
Profit retained for the financial period		350,968	282,047

All results derive from continuing operations.

The company has no recognised gains or losses other than the profit for the current period and previous year, and therefore no separate statement of total recognised gains or losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

The notes on pages 7 to 13 form part of these financial statements.

Planet Recruit Limited

Balance Sheet as at 31 December 2004

	<i>Note</i>	31 December 2004 £	31 August 2003 £
Current Assets			
Debtors	5	495,148	288,792
Cash		37,595	19,260
		532,743	308,052
 Creditors - amounts falling due within one year	6	(38,813)	(165,090)
 Net current assets		493,930	142,962
 Total assets less current liabilities		493,930	142,962
<hr/>			
Capital and reserves			
Share capital	7	263	263
Share premium	8	729,232	729,232
Profit and loss account	8	(235,565)	(586,533)
 Total equity shareholders funds'	9	493,930	142,962

The financial statements on pages 5 to 13 were approved by the Board of Directors on 30 January 2006 and signed on its behalf by:



Harvey Sinclair
Director

The notes on pages 7 to 13 form part of these financial statements.

Planet Recruit Limited

Notes to the financial statements for the 16 months ended 31 December 2004 (continued)

1 Accounting Policies

Accounting convention

These financial statements are prepared on the going concern basis, because the ultimate Parent Company has committed its support, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The company is a wholly owned subsidiary of the hotgroup plc and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Related Party Disclosures

The company is a wholly owned subsidiary of the ultimate parent undertaking, the hotgroup plc. The company is exempt under Financial Reporting Standard 8 from the disclosure of transactions with entities that are part of the group headed by the hotgroup plc on the grounds that more than 90% of the voting rights are controlled within the group.

Turnover

Turnover represents the invoiced amount of services provided during the period stated net of value added tax. Turnover from subscriptions to online recruitment services is apportioned over the period to which the contract relates. All turnover arises in the United Kingdom.

Deferred Income

The company recognises revenue over the period of the sales contract. The deferred income balance represents that proportion of turnover which relates to the unextinguished term of sales contracts existing at the balance sheet.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Planet Recruit Limited

Notes to the financial statements for the 16 months ended 31 December 2004 (continued)

2 Staff costs

	16 months ended 31 December 2004 £	12 months ended 31 August 2003 £
Wages and salaries	-	14,592
Social security costs	-	10,425
	-	25,017

The average monthly number of employees during the year was as follows:

	16 months ended 31 December 2004	12 months ended 31 August 2003
	-	1

The employees of the business were transferred to Hotonline Limited during the period. Employee costs are recharged from Hotonline along with other operating costs. As a consequence no split of employees is shown in the financial statements after the date that was effected from.

Directors' Emoluments

	16 months ended 31 December 2004 £	12 months ended 31 August 2003 £
Aggregate emoluments	-	22,420

A Reeves and S D Wright are also directors of the ultimate parent company, the hotgroup plc and their emoluments are disclosed in that company's financial statements.

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	16 months ended 31 December 2004 £	12 months ended 31 August 2003 £
Exceptional items	-	103,903
Auditors' remuneration – audit services	7,600	3,000

The exceptional items in 2003 comprise severance payments incurred as a result of operational restructuring.

Planet Recruit Limited

Notes to the financial statements for the 16 months ended 31 December 2004 (continued)

4 Taxation

The tax credit on the profit on ordinary activities for the period was as follows:

	16 months ended 31 December 2004 £	12 months Period ended 31 August 2003 £
(a) Analysis of tax credit for the period		
UK corporation tax on profits for the period	-	-
Adjustments in respect of previous periods	(62,524)	-
Deferred tax – current period	29,546	(60,456)
	(32,978)	(60,456)

(b) Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Profit on ordinary activities before tax	317,990	221,591
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (Aug 2003: 30%)	95,397	66,477

Effects of:

Expenses not deductible for tax purposes	300	799
Difference between depreciation and capital allowances	(875)	(2,625)
Utilisation of tax losses brought forward	(94,822)	(64,651)
Adjustment in respect of previous period	(62,524)	-
Total current corporation tax charge / (credit)	(62,524)	-

(c) Factors affecting the future tax charge

The directors believe that the future effective tax rate will be reduced to below the UK standard rate by the availability of tax losses carried forward.

(d) Deferred tax asset	31 December 2004 £	31 August 2003 £
Temporary differences for which deferred tax is recognised:		
Fixed asset timing differences	1,000	-
Other short term timing differences	9,000	-
Tax losses carried forward	21,000	60,456
	31,000	60,456

The deferred tax asset is included in the financial statements at a corporation tax rate of 30% (2003: 30%). In the opinion of the directors, the company will generate sufficient future taxable profits to utilise the tax losses carried forward.

Planet Recruit Limited

Notes to the financial statements for the 16 months ended 31 December 2004 (continued)

Deferred tax not provided	31 December 2004 £	31 August 2003 £
Temporary differences for which deferred tax asset is not recognised:		
Fixed asset timing differences	-	2,625
Other short term timing differences	-	9,836
Tax losses carried forward	-	55,979
	-	68,440

5 Debtors – amounts falling due within one year

	31 December 2004 £	31 August 2003 £
Trade debtors	70,514	63,904
Other debtors – Deferred tax	31,000	60,456
Amounts due from group companies	393,634	164,432
	495,148	288,792

Amounts owed by group companies are unsecured, interest free and repayable on demand.

6 Creditors – amounts falling due within one year

	31 December 2003 £	31 August 2003 £
Trade creditors	-	15,321
Taxation and Social Security Costs	10,465	11,435
Accruals & deferred Income	28,348	138,334
	38,813	165,090

7 Share capital

	Authorised No.	£	31 December 2004 and 31 August 2003 Allotted called up and fully paid No.	£
Ordinary shares of 0.01p each	10,000,000	10,000	262,949	263

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Notes to the financial statements for the 16 months ended 31 December 2004 (continued)

8 Reserves

Movement in reserves were as follows:

	Share Premium £	Profit & Loss Account £
At 31 August 2003	729,232	(586,533)
Profit for the period	-	350,968
At 31 December 2004	729,232	(235,565)

9 Reconciliation of movements in shareholders' funds

	16 months ended 31 December 2004 £	12 months ended 31 August 2003 £
At 1 September 2003	142,962	(139,085)
Profit for the period	350,968	282,047
At 31 December 2004	493,930	142,962

10 Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party during the year ended 31 December 2004 was hotgroup plc, a company incorporated in England. hotgroup plc was the smallest and largest undertaking to consolidate these financial statements at 31 December 2004. Copies of the group financial statements of hotgroup plc may be obtained from the Company Secretary, the hotgroup plc, Beaumont House, Kensington Village, Avonmore Road, London W14 8TS.

Subsequent to the acquisition outlined in note 11, the ultimate parent undertaking is Trinity Mirror plc, a company registered in England and Wales, Trinity Mirror plc's registered office is One Canada Square, Canary Wharf, London, E14 5AP.

11 Post Balance Sheet Events

On 30 August 2005, the Board of the hotgroup plc, the ultimate parent company at that time, announced its agreement to the terms of a recommended cash offer to be made for the company by Trinity Mirror plc. On 26 October 2005 this offer was declared wholly unconditional by Trinity Mirror plc.