

Registered Number. 4627952

MULTINET RECRUITMENT LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2007**

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Multinet Recruitment Limited

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Multinet Recruitment Limited

DIRECTORS' REPORT

The Directors present their annual report and unaudited financial statements of the Company for the year ended 31 August 2007

Principal Activity

The Company's principal activity is to recruit security personnel

Directors

The present Directors of the Company are

Mr J Byrne

Mr R J Fallowfield

Mr J B Lack

Results and Dividends

The loss after taxation for the year ended 31 August 2007 amounted to £645 (2006 £667) The directors do not recommend the payment of a dividend and an amount of £645 (2006 £667) has been transferred out of reserves

Review of Business

The company has not yet commenced activity but continues to examine options for attracting a customer base for its specialist services

Statement of 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Multinet Recruitment Limited

DIRECTORS' REPORT (Continued)

Statement of Directors' Responsibilities (Continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 249(A)(1) of the Companies Act 1985, the Company, being eligible, has not appointed Auditors.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and approved by the board of directors on 30 May 2008 and signed on behalf of the board by

By Order of the Board



R J Fallowfield
Secretary

Registered Office
55 Park Lane
London W1K 1NA

Multinet Recruitment Limited

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 AUGUST 2007

Note	Year To 31/8/07 £'000	Year To 31/8/06 £'000
Administrative expenses	<u>(645)</u>	<u>(667)</u>
OPERATING LOSS	(645)	(667)
5 LOSS FOR THE FINANCIAL YEAR	<u><u>(645)</u></u>	<u><u>(667)</u></u>

All profits and losses derive from continuing operations

There were no recognised gains or losses other than those shown above. The movements on reserves are shown in Note 6.

Multinet Recruitment Limited

BALANCE SHEET AT 31 AUGUST 2007

Note		At 31/8/07 £	At 31/8/06 £
	CURRENT ASSETS		
	Amounts owed by group undertakings	2	2
	Bank at bank and in hand	134	58
		<u>136</u>	<u>60</u>
	CURRENT LIABILITIES		
3	Creditors (Amounts falling due within one year)	(4,294)	(3,573)
		<u>(4,294)</u>	<u>(3,573)</u>
	NET ASSETS/(LIABILITIES)	<u>(4,158)</u>	<u>(3,513)</u>
	CAPITAL AND RESERVES		
4	Called up share capital	2	2
5	Profit and loss reserves	(4,160)	(3,515)
		<u>(4,158)</u>	<u>(3,513)</u>
6	SHAREHOLDERS' FUNDS	<u>(4,158)</u>	<u>(3,513)</u>

For the year from 1 September 2006 to 31 August 2007 the Company was entitled to the exemption under section 249(A)(1) of the Companies Act 1985

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985

The directors acknowledge their responsibility for

- (i) ensuring the company keeps accounting records which comply with section 221, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company

The accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies

The Company has not acted as an agent for any person during the accounting period

Approved by the Board on 30 May 2008


R J Fallowfield
Director

The notes on pages 6 to 8 form an integral part of these accounts

Multinet Recruitment Limited

NOTES TO THE ACCOUNTS YEAR TO 31 AUGUST 2007

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and comply with the disclosure requirements of the Companies Act 1985 and applicable accounting standards

Going concern

The Company has a deficit of shareholder's funds at 31 August 2007 and since that date the Company has continued to make losses. The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. In concluding that it is appropriate to adopt the going concern basis in preparing these financial statements the Directors have had regard to the written indications received from the ultimate parent company, Liberty Holdings Limited, and the verbal indications received from the ultimate controlling party, Mr M Al Fayed, that continued funding will be made available to finance the Company's working capital requirements for the foreseeable future. Although there is no legal obligation for either Liberty Holdings Limited or Mr Al Fayed to provide this continued support, the Directors are confident that such funding will be forthcoming.

2. TAXATION

No taxation charge has been provided in the accounts, based on the results of the year (2006 £nil). This can be reconciled to the theoretical tax credit based on the standard rate of tax as follows:

	Year To 31/8/07 £	Year To 31/8/06 £
Loss on ordinary activities before tax	<u>(645)</u>	<u>(667)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	(194)	(200)
Effects of:		
Unutilised tax losses carried forward	194	200
Current tax charge for year	<u>-</u>	<u>-</u>

Multinet Recruitment Limited

NOTES TO THE ACCOUNTS (CONTINUED)

3. CREDITORS (Amounts falling due within one year)

	31/8/07 £	31/8/06 £
Liberty Publishing & Media Ltd	<u>4,294</u>	<u>3,573</u>

4. SHARE CAPITAL

	31/8/07 £	31/8/06 £
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. PROFIT AND LOSS RESERVES

	31/8/07 £	31/8/06 £
At start of year	(3,515)	(2,848)
Transfer from profit and loss account for the year	<u>(645)</u>	<u>(667)</u>
At end of year	<u>(4,160)</u>	<u>(3,515)</u>

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31/8/07 £	31/8/06 £
Loss for the financial year	(645)	(667)
Opening shareholders' funds	<u>(3,513)</u>	<u>(2,846)</u>
Closing shareholders' funds	<u>(4,158)</u>	<u>(3,513)</u>

7. RELATED PARTIES

No disclosure has been made of any transactions within these financial statements with the immediate parent company or fellow subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8

Multinet Recruitment Limited

NOTES TO THE ACCOUNTS (CONTINUED)

8. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Liberty Publishing & Media Limited, a company registered in England and Wales

The consolidated accounts for Liberty Publishing & Media Limited will be filed with the Registrar of Companies in due course. Copies of these financial statements will be available from Companies House, Crown Way, Cardiff, CF14 3UZ on payment of the appropriate fee

At 31 August 2007 the ultimate parent undertaking of Multinet Recruitment Limited was Liberty Holdings Limited, a company incorporated in Jersey, which is owned and controlled by M Al Fayed, the ultimate controlling party