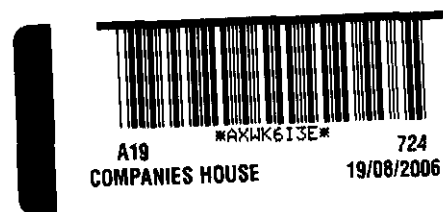


# **AIRE VALLEY WAREHOUSING 2 LIMITED**

Directors' Report and Financial Statements

Registered number: 5321857

31 December 2004



**Company Information**

**Directors**

SFM Directors Limited

SFM Directors (No.2) Limited

Christopher Donald Gillespie (appointed 29 November 2005)

**Company Secretary**

SFM Corporate Services Limited

**Registered Office**

35 Great St. Helen's

London

EC3A 6AP

**Auditor**

KPMG Audit Plc

1 The Embankment

Neville Street

Leeds

LS1 4DW

**Directors' Report and Financial Statements**

<b>Contents</b>	<b>Page</b>
Directors' Report	4 - 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report to the members of Aire Valley Warehousing 2 Limited	7
Profit & Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10 - 11

**Directors' Report for the period ended 31 December 2004**

The Directors present their first Report and Financial Statements for the period ended 31 December 2004.

**Principal activity**

Aire Valley Warehousing 2 Limited ("the Company") was incorporated on 29 December 2004.

The Company is a limited company incorporated in the United Kingdom under the Companies Act 1985 and registered in England and Wales.

Aire Valley Holdings Limited holds the £1 ordinary fully paid share in the company.

**Business review**

The Company has not traded during the period.

**Dividend**

The Directors do not recommend the payment of a final dividend for the period.

**Payment policy**

Standard terms provide for payment of all invoices within 30 days of invoice date, except where different arrangements have been agreed with suppliers. It is the policy of the Company to abide by the agreed payment terms.

**Directors**

The Directors who served during the period were as follows:

SFM Directors Limited	(Appointed 29 December 2004)
SFM Directors (No.2) Limited	(Appointed 29 December 2004)
Rosemary Prudence Thorne	(Appointed 29 December 2004)

Rosemary Thorne, SFM Directors Limited and SFM Directors (No.2) Limited are or have been Directors of Aire Valley Holdings Limited during the period. No Director had any interest in the share capital of the Company at any time during the period.

**International Financial Reporting Standards**

The Aire Valley Holdings group and subsidiaries, including Aire Valley Warehousing 2 Limited, is implementing International Financial Reporting Standards with effect from 1 January 2005

**Directors' Report for the period ended 31 December 2004 (continued)**

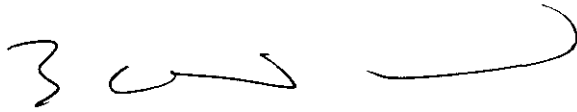
**Political and charitable contributions**

During the period no political or charitable contributions were made.

**Auditor**

KPMG Audit plc was appointed auditor on 6 January 2005. In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of KPMG Audit Plc as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



SFM Corporate Services Limited  
Company Secretary

31 July 2006

**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; and
- # 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 which 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.

## **Independent Auditor's Report to the members of Aire Valley Warehousing 2 Limited**

We have audited the financial statements on pages 8 to 11

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 Auditor**

The Directors are responsible for preparing the Director's Report and, as described on page 6, the Financial Statements in accordance with applicable United Kingdom law and Accounting Standards.

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 2004 and of its result for the period then ended; and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
31 July 2006

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Income Statement for the period ended 31 December 2004**

During the financial period the company received no income and incurred no expenditure.  
Consequently, during this period, the company made neither a profit nor a loss.



**Balance Sheet as at 31 December 2004**

	<b>Note</b>	<b>2004 £</b>
<b>Assets</b>		
Cash at bank and in hand		<u>1</u>
<b>Net assets</b>		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	<b>3</b>	<u>1</u>
<b>Shareholder's funds</b>	<b>4</b>	<u>1</u>

The notes on pages 10 to 11 form part of these Financial Statements.

The Financial Statements were approved by the Board of Directors and authorised for issue on 31 July 2006 and signed on its behalf by:



Director

per pro SFM Directors Limited  
as Director

31 July 2006

**Notes to the Financial Statements for the period ended 31 December 2004**

**1. Accounting policies**

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

***Basis of Accounting***

The Financial Statements are prepared on the historical cost basis of accounting and in accordance with applicable Accounting Standards. The Financial Statements have been prepared on a going concern basis.

***Cashflow Statement***

Under Financial Reporting Standard No.1 (Revised), the company is exempt from the requirement to prepare a cashflow statement on the grounds that more than 90% of the voting rights are controlled within the group of its ultimate parent company, Aire Valley Holdings Limited. The Consolidated Financial Statements, within which this company is included, can be obtained from the address given in note 5.

***Related Parties***

Under Financial Reporting Standard No.8, the company is exempt from disclosing transactions within the Aire Valley Holdings Limited group, as the company is a wholly owned subsidiary of Aire Valley Holdings Limited, whose consolidated accounts are publicly available.

**Notes to the Financial Statements for the period ended 31 December 2004 (continued)****2 Employees' and Directors' emoluments**

There were no employees during the period and none of the Directors received emoluments in respect of their services to the Company.

**3 Called up share capital**

**2004**  
**£**

**Authorised**

100 ordinary shares of £1 each **100**

**Allotted, issued and fully paid**

1 ordinary share of £1 **1**

The ordinary shares rank equally in respect of rights attached to voting, dividends and in the event of a winding up.

**4 Shareholder's funds**

**£**

New share capital subscribed	1
Profit for the period	-
Net movement in shareholder's funds	<u><u>1</u></u>

Opening shareholder's funds	-
Closing shareholder's funds	<u><u>1</u></u>

**5 Ultimate parent undertaking**

The immediate parent undertaking of Aire Valley Warehousing 2 Limited is Aire Valley Holdings Limited, a Company incorporated and registered in England and Wales.

The ultimate parent undertaking of Aire Valley Warehousing 2 Limited is SFM Corporate Services Limited, a Company incorporated and registered in England and Wales, which holds the shares of Aire Valley Holdings Limited on a discretionary trust basis for charitable purposes.

Copies of the consolidated accounts of Aire Valley Holdings Limited and SFM Corporate Services Limited may be obtained from the Company Secretary at 35 Great St. Helen's, London EC3A 6AP.