

HOLDGROVE LIMITED

Report and Financial Statements

31 March 2007

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HOLDGROVE LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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HOLDGROVE LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D A Rasche
L J B Walker
N J Bate
G Folwell

SECRETARY

N J Bate

REGISTERED OFFICE

Fearnley Mill
Dean Clough
Halifax
HX3 5AX

BANKERS

Barclays Bank PLC
P O Box 190
2nd Floor
1 Park Row
Leeds
LS1 5WU

SOLICITORS

Hammonds
Trinity Court
16 John Dalton Street
Manchester
M60 8HS

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

HOLDGROVE LIMITED

DIRECTORS' REPORT

We present our annual report and the audited financial statements for the year ended 31 March 2007

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company has not traded in the year or the preceeding year. The directors do not expect the company to recommence trading.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors paid an ordinary dividend of £7,659,649 during the year.

DIRECTORS

The directors during the year were as follows -

D A Rasche
L J B Walker
N J Bate
N J Southan (resigned 24th September 2007)
G Folwell

CHARITABLE AND POLITICAL CONTRIBUTIONS

No charitable or political contributions were made during the period (2006 Nil)

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- Each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

N J Bate
Director



29th January 2008

HOLDGROVE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985.

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,
- 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 group and to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLDGROVE LIMITED

We have audited the financial statements of Holdgrove Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 11. 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 financial statements in accordance with applicable law and United Kingdom 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgments 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLDGROVE LIMITED

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 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Emphasis of matter – financial statements prepared on a basis other than that of going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policies, in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds
29th January 2008

HOLDGROVE LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2007

		Year ended 31 March 2007 £	4 Months ended 31 March 2006 £
	Note		
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Other operating expenses	3	-	-
		<hr/>	<hr/>
OPERATING PROFIT		-	-
Income from shares in group undertakings		8,384,621	
Amounts written off investments		(1,176,363)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,208,258	-
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR/PERIOD		7,208,258	-
Dividends		(7,659,649)	-
		<hr/>	<hr/>
Retained loss transferred to reserves		(451,391)	-
		<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The result for the financial year represents the total recognised gains and losses since the previous year-end. Consequently, no separate statement of recognised gains and losses is presented.

The company's activities all constitute discontinued operations as defined by FRS 3.

HOLDGROVE LIMITED

BALANCE SHEET 31 March 2007

	Note	31 March 2007 £	31 March 2006 £
FIXED ASSETS			
Investments	5	<u>234,538</u>	<u>1,410,901</u>
CURRENT ASSETS			
Debtors	6	<u>8,384,621</u>	<u>228,960</u>
		8,384,621	228,960
CREDITORS amounts falling due within one year	7	<u>8,430,879</u>	<u>1,000,190</u>
NET CURRENT LIABILITIES		<u>(46,258)</u>	<u>(771,230)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>188,280</u>	<u>639,671</u>
CAPITAL AND RESERVES			
Called up share capital	8	62,924	62,924
Share premium account	9	123,456	123,456
Other reserves	9	1,900	1,900
Profit and loss account	9	-	451,391
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>188,280</u>	<u>639,671</u>

These financial statements were approved by the Board of Directors on 29th January 2008

Signed on behalf of the Board of Directors

N J Bate

Director

29th January 2008

HOLDGROVE LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

Year ended 31 March 2007

	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
(Loss) for the financial year/period	(451,391)	-
New equity share capital subscribed	-	10,224
Premium on new share capital subscribed	-	116,256
Net (reduction)/addition to equity shareholders' funds	(451,391)	126,480
Opening equity shareholders' funds	639,671	513,191
Closing equity shareholders' funds	188,280	639,671

HOLDGROVE LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of preparation

On 31 March 2006, the Company transferred its assets and liabilities to a fellow group company and has ceased trading. In accordance with FRS18, the Directors have, therefore, prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

As a wholly owned subsidiary, the company has taken the exemption from presenting a cash flow statement as its results and cash flows are included in the consolidated financial statements of SSP Holdings plc.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No directors received any remuneration from the Company in the current year or the prior period. There were no other employees.

3. OTHER OPERATING EXPENSES

Audit fees for the current and prior periods have been met by a fellow group company.

	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
Auditors' remuneration		
Fees payable by fellow group company	1,000	1,000

HOLDGROVE LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2007

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arises in the current year or the prior period

Factors affecting tax charge for period

The tax assessed for the period is different to the standard rate of corporation tax of 30%. The differences are explained below

	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
Profit on ordinary activities before tax	<u>7,208,258</u>	<u>-</u>
Expected tax charge at 30%	2,162,477	-
Non taxable income	(2,515,387)	-
Non taxable expenses	<u>352,910</u>	<u>-</u>
Current year corporation tax	<u>-</u>	<u>-</u>

HOLDGROVE LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2007

5. INVESTMENTS

Shares in group undertakings

Cost	£
At 31 March 2006 and 31 March 2007	<u>1,410,901</u>
Provision for impairment	
At 31 March 2006	-
Impairment in the period	<u>1,176,363</u>
At 31 March 2007	<u>1,176,363</u>
Net book value	
At 31 March 2007	<u>234,538</u>
At 31 March 2006	<u>1,410,901</u>

The company owns 100% of the issued share capital of Sectorsnet Limited, a company incorporated in England and Wales which is now dormant having previously engaged in the supply of software and ancillary services. Sectorsnet Limited's loss for the year ended 31 March 2007 was £8,384,621 (2006 profit £7,899,000) and the aggregate of its capital and reserves at 31 March 2007 was £234,538 (2006 £8,618,000)

6. DEBTORS

	31 March 2007 £	31 March 2006 £
Amount owed by group undertakings	<u>8,384,621</u>	<u>228,960</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2007 £	31 March 2006 £
Amounts owed to group undertakings	8,430,879	934,190
Other taxes and social security	-	66,000
	<u>8,430,879</u>	<u>1,000,190</u>

HOLDGROVE LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2007

8. SHARE CAPITAL

	31 March 2007 £	31 March 2006 £
<i>Authorised</i>		
75,001 Ordinary shares of £1 each	<u>75,001</u>	<u>75,001</u>
<i>Called-up, allotted and fully paid</i>		
62,924 Ordinary shares of £1 each	<u>62,924</u>	<u>62,924</u>

9. RESERVES

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 31 March 2006	123,456	1,900	451,391
(Loss) for the financial year	-	-	(451,391)
At 31 March 2007	<u>123,456</u>	<u>1,900</u>	<u>-</u>

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS8 not to disclose details of related party transactions with other group companies

11. ULTIMATE PARENT COMPANY

The immediate parent company is SSP Limited, formerly Software Solutions Partners Limited and the ultimate parent company is SSP Holdings plc, a company incorporated in England and Wales. SSP Holdings plc is the only company which prepares consolidated financial statements which include the results and financial position of this company.