



**HARAS INVESTMENTS LIMITED**

**Report and Financial Statements**

**31 March 1997**

**Deloitte & Touche  
Leda House  
Station Road  
Cambridge CB1 2RN**

**( - 28/01/98)**





**REPORT AND FINANCIAL STATEMENTS 1997**

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## **DIRECTOR'S REPORT**

The director presents his annual report and the audited financial statements for the year ended 31 March 1997.

### **ACTIVITIES**

The principal activities of the company have been the making and holding of investments. Since the year end there have been no changes in its activities.

### **REVIEW OF DEVELOPMENTS**

During the year the company continued its principal activities.

At present, there are no plans to extend the scope of its operations.

### **SHARE CAPITAL**

On 27 March 1997 the company increased its authorised and issued share capital by creating a further 7,500,000 ordinary shares of £1 each which were subscribed for at par.

These rank pari passu in all respects with the existing ordinary shares.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The director recommends the declaration of a dividend of £77 on the 7% preference shares of £1. The profit for the year after dividends of £550,319 has been added to the profits brought forward of £653,879.

### **DIRECTOR AND HIS INTERESTS**

Mr J H Williamson was sole director of the company throughout the year and at no time had any interest in the share capital of the company.

Mr J H Williamson's interest in the share capital of Cadastra Limited, the ultimate parent company of the group, is shown in the directors' report of that company.

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year 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 the profit or loss of the company for that period. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act. He is 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.

Approved by the Director  
and signed on his behalf

**for CADASTRA LIMITED**

Secretary

  
**DIRECTOR/SECRETARY**

Leda House  
Station Road  
Cambridge CB1 2RN



## Chartered Accountants

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## HARAS INVESTMENTS LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 6.

#### Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of 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 director 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 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

29 January 1998


**PROFIT AND LOSS ACCOUNT**
**Year ended 31 March 1997**

	Note	12 months to 31 March 1997 £	6 months to 31 March 1996 £
Bank interest receivable		16,407	9,807
Income from fixed asset investments		533,039	300,887
Interest waived		343	972,470
Tax repayment supplement		627	-
		<hr/>	<hr/>
Interest payable and similar charges	2	550,416	1,283,164
Bank charges		-	(613)
		(20)	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		550,396	1,282,551
Tax on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		550,396	1,282,551
Dividends	6	77	77
		<hr/>	<hr/>
<b>PROFIT FOR THE YEAR TRANSFERRED TO RESERVES</b>		550,319	1,282,474
		<hr/>	<hr/>

All amounts derive from continuing operations.

There are no recognised gains and losses other than as shown in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is given.



**STATEMENT OF MOVEMENTS ON RESERVES**  
**Year ended 31 March 1997**

	<b>Profit and loss account £</b>
At 1 April 1996	653,879
Profit for the year	<u>550,319</u>
At 31 March 1997	<u><u>1,204,198</u></u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**Year ended 31 March 1997**

	<b>12 months to 31 March 1997 £</b>	<b>6 months to 31 March 1996 £</b>
Profit for the financial year	550,319	1,282,474
Issue of shares	<u>7,500,000</u>	<u>-</u>
Opening shareholders' funds	<u>8,050,319</u> 655,159	<u>1,282,474</u> (627,315)
Closing shareholders' funds	<u><u>8,705,478</u></u>	<u><u>655,159</u></u>


**BALANCE SHEET**
**31 March 1997**

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Investments	7	7,633,073	14,277
<b>CURRENT ASSETS</b>			
<b>Debtors :</b>			
Amount due from parent company		812,808	300,000
Amount due from fellow subsidiary company		980	-
Tax recoverable		1,553	23,232
Other debtors		732	153
Cash at bank		262,641	324,072
		<u>1,078,714</u>	<u>647,457</u>
<b>CREDITORS: amounts falling due within one year</b>			
Amount due to parent company		5,000	5,000
Accruals and deferred income		-	343
Dividends		1,309	1,232
		<u>6,309</u>	<u>6,575</u>
<b>NET CURRENT ASSETS</b>		<u>1,072,405</u>	<u>640,882</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,705,478</u>	<u>655,159</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	7,501,280	1,280
Profit and loss account		1,204,198	653,879
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>8,705,478</u>	<u>655,159</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		8,704,273	653,954
Non-equity shareholders' funds		1,205	1,205
		<u>8,705,478</u>	<u>655,159</u>

These financial statements were approved by the Director on *29 January 1998*

Director



**NOTES TO THE ACCOUNTS**

**Year ended 31 March 1997**

**1. ACCOUNTING POLICIES**

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

**Basis of preparing the financial statements**

The financial statements are prepared under the historical cost convention and on the basis of the company continuing as a going concern.

**Investments**

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

**2. INTEREST PAYABLE AND SIMILAR CHARGES**

	12 months to 31 March 1997 £	6 months to 31 March 1996 £
Interest payable on loan from fellow subsidiary company	-	613

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The company has unutilised management expenses of £nil (1996 - £508,025) for corporation tax purposes which are available to be carried forward and set against future profits, and agreed capital losses of £6,026,022.

The tax charge for the year has been reduced to nil by the utilisation of management expenses brought forward and group relief available from another group company for which no charge has been made.

**4. DIRECTOR'S REMUNERATION**

Mr J H Williamson was the sole director throughout the year. No remuneration was paid to him by the company in this year or the previous period.

**5. AUDIT FEE**

No provision for audit fee has been included in these accounts as the liability is borne by the ultimate parent company.

**6. DIVIDENDS**

	12 months to 31 March 1997 £	6 months to 31 March 1996 £
On non equity shares		
Proposed on the 7% preference shares	77	77



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1997**

**7. FIXED ASSET INVESTMENTS**

<b>Gilt edged stocks - listed on a recognised investment exchange</b>	<b>£</b>	
Cost and net book value		
At 31 March 1996 and 31 March 1997		<u>14,277</u>
<b>7% loan notes 1997 Cadastra Limited</b>		
Cost and net book value		
Additions and at 31 March 1997		<u>7,508,796</u>
<b>Other loans</b>		
Cost and net book value		
Additions and at 31 March 1997		<u>110,000</u>
<b>Total fixed asset investments at 31 March 1997</b>		<u><u>7,633,073</u></u>
<b>Total fixed asset investments at 31 March 1996</b>		<u><u>14,277</u></u>
	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Market value of gilt edged stocks	<u>14,801</u>	<u>15,433</u>

**8. CALLED UP SHARE CAPITAL**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
7,500,040 (1996 - 40) ordinary shares of £1 each	7,500,040	40
60 non-voting 'A' ordinary shares of £1 each	60	60
50 participating preference shares of £1 each	50	50
1,100 7% preference shares of £1 each	1,100	1,100
75 preferred preference shares of £1 each	75	75
	<u>7,501,325</u>	<u>1,325</u>
<b>Called up, allotted and fully paid</b>		
7,500,015 (1996 - 15) ordinary shares of £1 each	7,500,015	15
60 non-voting 'A' ordinary shares of £1 each	60	60
30 participating preference shares of £1 each	30	30
1,100 7% preference shares of £1 each	1,100	1,100
75 preferred preference shares of £1 each	75	75
	<u>7,501,280</u>	<u>1,280</u>

The company increased its authorised and issued share capital on 27 March 1997 by creating a further 7,500,000 ordinary shares of £1 each which were subscribed for at par.

These rank pari passu in all respects with the existing ordinary shares.

**NOTES TO THE ACCOUNTS****Year ended 31 March 1997****8. CALLED UP SHARE CAPITAL (continued)**

The preference shares shall rank in priority to the ordinary shares as regards Capital as well as Dividend, but shall not carry any further right to participate in the profits or assets of the company. The holders of the preference shares do not have the right to attend or vote at any General Meeting unless the meeting is convened for reducing the Capital or winding up, or sanctioning a sale or amalgamation of the company or where the proposal to be submitted to the Meeting directly affects the rights and privileges of the holders of the shares.

**9. ULTIMATE PARENT COMPANY**

The ultimate parent company and immediate controlling party of Haras Investments Limited is Cadastra Limited, which is registered in England and Wales. Copies of the group financial statements of Cadastra Limited are available from Leda House, Station Road, Cambridge.

**10. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr J H Williamson.

**11. RELATED PARTY DISCLOSURES**

The company is exempt from disclosing details of transactions with its ultimate parent company, Cadastra Limited, together with its subsidiaries, because copies of Cadastra Limited group financial statements are available at Leda House, Station Road, Cambridge.