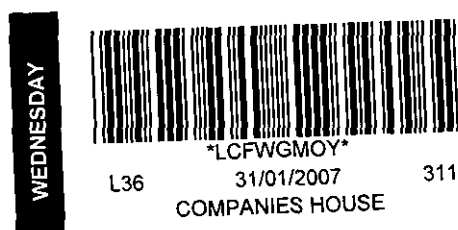


**HARAS INVESTMENTS LIMITED**

**Report and Financial Statements**

**31 March 2006**



# **HARAS INVESTMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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# **HARAS INVESTMENTS LIMITED**

## **DIRECTOR'S REPORT**

The director presents his annual report and the audited financial statements for the year ended 31 March 2006.

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 (4) of the Companies Act 1985.

## **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.

## **DIVIDENDS**

The director recommends the declaration of a dividend of £77 (2005 - £77) on the 7% preference shares of £1 and £nil (2005 - £nil) on the ordinary shares of £1.

## **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**

The director is responsible for preparing the Annual Report and the financial statements. The director has chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the director to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice 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 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 1985. 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.

# HARAS INVESTMENTS LIMITED

## DIRECTOR'S REPORT

### STATEMENT OF INFORMATION GIVEN TO AUDITORS

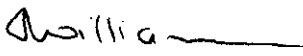
In the case of the director of the company at the date when this report is approved:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- the director 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.

Approved by the Director  
and signed on his behalf

**for CADASTRA LIMITED**

  
**DIRECTOR/SECRETARY**

The Balsams Barn  
Balsams Lane  
Standon  
Ware  
Herts  
SG11 1NS

Secretary

19 January 2007

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARAS INVESTMENTS LIMITED**

We have audited the financial statements of Haras Investments Limited for the year ended 31 March 2006 which comprise the profit and loss account, the statement of movements on reserves, the reconciliation of movements on shareholders' funds, the balance sheet and the related notes 1 to 10. 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 the director and auditors**

As described in the statement of director's responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the director's report is consistent with the financial statements. We also 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 director's remuneration and other transactions is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 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.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Cambridge, United Kingdom

*24. Jan 2007.*

# HARAS INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2006

	Note	2006 £	2005 £
Dividend from subsidiaries		637,737	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		637,737	-
Tax on profit on ordinary activities	2	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>637,737</u>	<u>-</u>

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 2006

	Profit and loss account £
At 1 April 2005	8,840,327
Profit for the year	637,737
Dividend (note 5)	(77)
At 31 March 2006	<u>9,477,987</u>

## RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Year ended 31 March 2006

	2006 £	2005 £
Opening shareholders' funds	16,341,607	16,341,684
Profit for the year	637,737	-
Dividend (note 5)	(77)	(77)
Closing shareholders' funds	<u>16,979,267</u>	<u>16,341,607</u>

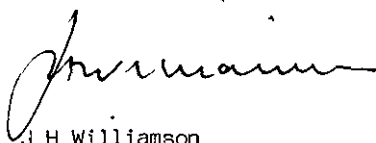
# HARAS INVESTMENTS LIMITED

## BALANCE SHEET 31 March 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Investments	6	<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
<b>Debtors :</b>			
Falling due after more than one year:			
Parent company		16,969,570	16,271,300
Subsidiary company		<u>11,698</u>	<u>72,231</u>
		16,981,268	16,343,531
		<u>                    </u>	<u>                    </u>
<b>CREDITORS: amounts falling due within one year</b>			
Dividends		<u>2,002</u>	<u>1,925</u>
<b>NET CURRENT ASSETS</b>		<u>16,979,266</u>	<u>16,341,606</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,979,267</u>	<u>16,341,607</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	7,501,280	7,501,280
Profit and loss account		<u>9,477,987</u>	<u>8,840,327</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>16,979,267</u>	<u>16,341,607</u>

These financial statements were approved by the Director on

19 January 2007



J H Williamson

Director

# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2006

### 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 preparing the financial statements

The financial statements are prepared under the historical cost convention.

#### Investments

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

#### Consolidation

Consolidated accounts of the company and its subsidiaries and a cash flow statement have not been prepared as the company was, at the year end, a wholly owned subsidiary of a body corporate registered in England and Wales that prepares group accounts.

### 2. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year, and the previous year, is nil as there are no taxable profits.

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 30% (2005 - 30%). The differences are explained below.

	2006 %	2005 %
Standard rate of tax for year as a percentage of profits	30	30
Effects of:		
UK dividend income	(30)	(30)
Current tax rate for year as a percentage of profits	-	-

The company has unutilised agreed capital losses of £6,026,022 which are available to be carried forward and set against future capital profits.

### 3. 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 year. There were no other employees.

### 4. AUDIT FEE

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

### 5. DIVIDENDS

	2006 £	2005 £
On non equity shares		
Proposed on the 7% preference shares	77	77

# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2006

### 6. FIXED ASSET INVESTMENTS

Fixed asset investments comprise:

Shares in subsidiary companies

£

#### Cost

At 1 April 2005 and 31 March 2006

275,300

#### Provision

At 1 April 2005 and 31 March 2006

275,299

#### Net book value

At 31 March 2006

1

At 31 March 2005

1

### 7. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised</b>		
7,500,040 ordinary shares of £1 each	7,500,040	7,500,040
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>7,501,325</u>
<b>Called up, allotted and fully paid</b>		
7,500,015 ordinary shares of £1 each	7,500,015	7,500,015
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>7,501,280</u>

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.

# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2006

### 8. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

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 The Balsams Barn, Balsams Lane, Standon, Ware, Herts, SG11 1NS.

The ultimate controlling party is Mr J H Williamson.

### 9. SUBSIDIARIES as at 31 March 2006

	Activity
K U H Limited	Holding investments
Birrell (Holdings) Limited	Dormant
Dennington Investments Limited	Dormant
Hocroft Trust Limited	Dormant
Kingsbridge Investments Limited	Dormant
Leda Investments Limited	Investment
Milk Street Holdings Limited	Dormant
Milk Street Securities Limited	Dormant
Stoneflare UK Limited	Dormant

All subsidiaries are registered in England and Wales, save for Birrell (Holdings) Limited which is registered in Scotland.

All subsidiaries are 100% owned.

All subsidiaries are indirectly owned by the company through a subsidiary save for Leda Investments Limited and Milk Street Holdings Limited which are directly owned by the company.

### 10. 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 The Balsams Barn, Balsams Lane, Standon, Ware, Herts, SG11 1NS.