

HARAS INVESTMENTS LIMITED

Report and Financial Statements

31 March 2011



HARAS INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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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 2011

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

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 (2010 - £77) on the 7% preference shares of £1 and £nil (2010 - £nil) on the ordinary shares of £1

DIRECTOR

The director who served throughout this year was J H Williamson

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these 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, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006 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 AUDITOR

The director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that it ought to have taken as a director to make itself aware of any relevant audit information 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 s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting

Approved by the Director
and signed on behalf of the Board



J H Williamson

Director

30 November 2011

The Balsams Barn
Balsams Lane
Standon
Ware
Herts
SG11 1NS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARAS INVESTMENTS LIMITED

We have audited the financial statements of Haras Investments Limited for the year ended 31 March 2011 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

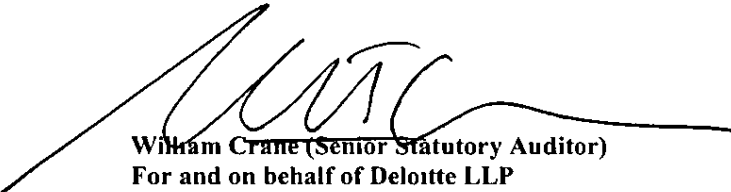
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARAS INVESTMENTS LIMITED (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



William Crane (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

2 December 2011

HARAS INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2011

	Note	2011 £	2010 £
Interest received		-	1,010
Dividend from subsidiaries		135,400	5,871
Administration costs		-	(68)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		135,400	6,813
Tax on profit on ordinary activities	2	-	-
PROFIT FOR THE FINANCIAL YEAR		135,400	6,813

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 2011

	Profit and loss account	
	2011 £	2010 £
At 1 April 2009	10,788,924	10,782,188
Profit for the year	135,400	6,813
Dividend (note 5)	(77)	(77)
At 31 March 2011	<u>10,924,247</u>	<u>10,788,924</u>

RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Year ended 31 March 2011

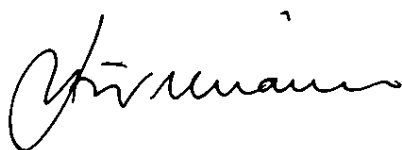
	2011 £	2010 £
Opening shareholders' funds	18,290,204	18,283,468
Profit for the year	135,400	6,813
Dividend (note 5)	(77)	(77)
Closing shareholders' funds	<u>18,425,527</u>	<u>18,290,204</u>

HARAS INVESTMENTS LIMITED

BALANCE SHEET 31 March 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	6	<u>1</u>	<u>1</u>
CURRENT ASSETS			
Debtors :			
Falling due after more than one year			
Parent company		7,998,636	7,998,636
Subsidiary companies		9,265,107	9,129,707
Other		<u>1,164,170</u>	<u>1,164,170</u>
		18,427,913	18,292,513
CREDITORS: amounts falling due within one year			
Dividends		<u>2,387</u>	<u>2,310</u>
NET CURRENT ASSETS		<u>18,425,526</u>	<u>18,290,203</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,425,527</u>	<u>18,290,204</u>
CAPITAL AND RESERVES			
Called up share capital	7	7,501,280	7,501,280
Profit and loss account		<u>10,924,247</u>	<u>10,788,924</u>
TOTAL SHAREHOLDERS' FUNDS		<u>18,425,527</u>	<u>18,290,204</u>

The financial statements of Haras Investments Limited, registered number 273767, were approved by the Director and authorised for issue on 30 November 2011



J H Williamson
Director

HARAS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention, on a going concern basis and in accordance with applicable United Kingdom accounting standards.

The director has reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, he continues to adopt the going concern basis in preparing the annual report and accounts.

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 taxable profits are covered by group relief.

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK 28% (2010 - 28%). The differences are explained below.

	2011 %	2010 %
Standard rate of tax for year as a percentage of profits	28	28
Effects of		
UK dividend income	(28)	(24)
Unrecognised reliefs	-	(4)
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.

In March 2011, the UK Government announced a reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011 and to 25% effective 1 April 2012. These rate reductions became substantively enacted in March 2011 and July 2011, respectively.

The UK Government also proposed changes to reduce the standard rate of the UK corporation tax by 1% per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

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.

HARAS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2011

4. AUDIT FEE

The auditor's remuneration was £2,000 (2010 £2,000) and was borne by the ultimate parent company

5 DIVIDENDS

	2011 £	2010 £
On non equity shares		
Proposed on the 7% preference shares	77	77

6. FIXED ASSET INVESTMENTS

Fixed asset investments comprise

Shares in subsidiary companies £

Cost

At 1 April 2010 and 31 March 2011 275,300

Provision

At 1 April 2010 and 31 March 2011 275,299

Net book value

At 31 March 2011 1

At 31 March 2010 1

7. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Called up, allotted and fully paid		
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
	7,501,280	7,501,280

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 FINANCIAL STATEMENTS

Year ended 31 March 2011

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 Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The ultimate controlling party is Mr J H Williamson.

9. SUBSIDIARIES as at 31 March 2011

	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 publicly available.