

**Deloitte &  
Touche**

Deloitte Touche  
Tehmatsu



Company Registration No. 273767

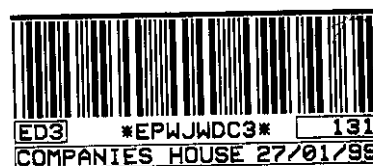
**HARAS INVESTMENTS LIMITED**

**Report and Financial Statements**

**31 March 1998**

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

**( - 13/01/99)  
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**REPORT AND FINANCIAL STATEMENTS 1998**

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**DIRECTOR'S REPORT**

The director presents his annual report and the audited financial statements for the year ended 31 March 1998.

**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 on the 7% preference 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**

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

26.1.99

*William*

~~DIRECTOR~~/SECRETARY

Leda House  
Station Road  
Cambridge CB1 2RN



## HARAS INVESTMENTS LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 7 which have been prepared under the accounting policies set out on page 5.

#### 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche.*

Chartered Accountants and  
Registered Auditors

*26.1.1999.*



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1998**

	Note	1998 £	1997 £
Bank interest receivable		18,263	16,407
Income from fixed asset investments		14,975	533,039
Interest waived		-	343
Tax repayment supplement		1	627
		<u>33,239</u>	<u>550,416</u>
Loss on sale of gilts		(1,333)	-
Bank charges		-	(20)
		<u>31,906</u>	<u>550,396</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>31,906</b>	<b>550,396</b>
Tax on profit on ordinary activities	2	-	-
		<u>31,906</u>	<u>550,396</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>31,906</b>	<b>550,396</b>
Dividends	5	77	77
		<u>31,829</u>	<u>550,319</u>
<b>PROFIT FOR THE YEAR TRANSFERRED TO RESERVES</b>		<b>31,829</b>	<b>550,319</b>

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 1998**

	Profit and loss account £
At 1 April 1997	1,204,198
Profit for the year	<u>31,829</u>
At 31 March 1998	<u>1,236,027</u>



**BALANCE SHEET**  
**31 March 1998**

	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Investments	6	119,277	7,633,073
<b>CURRENT ASSETS</b>			
<b>Debtors :</b>			
Amount due from parent company		812,808	812,808
Amount due from fellow subsidiary company:			
falling due within one year		1,960	980
falling due after more than one year		7,508,796	-
Tax recoverable		4,479	1,553
Other debtors		-	732
Cash at bank		296,373	262,641
		<u>8,624,416</u>	<u>1,078,714</u>
<b>CREDITORS: amounts falling due within one year</b>			
Amount due to parent company		5,000	5,000
Dividends		1,386	1,309
		<u>6,386</u>	<u>6,309</u>
<b>NET CURRENT ASSETS</b>		<u>8,618,030</u>	<u>1,072,405</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,737,307</u>	<u>8,705,478</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	7,501,280	7,501,280
Profit and loss account		1,236,027	1,204,198
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>8,737,307</u>	<u>8,705,478</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		8,736,102	8,704,273
Non-equity shareholders' funds		1,205	1,205
		<u>8,737,307</u>	<u>8,705,478</u>

These financial statements were approved by the Director on

26 January 1999

Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1998**

**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. TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

The tax charge for the year has been reduced to nil by group relief available from another group company for which no charge has been made.

**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.

**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**

	1998 £	1997 £
On non equity shares		
Proposed on the 7% preference shares	<u>77</u>	<u>77</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1998**

**6. FIXED ASSET INVESTMENTS**

	1998 £	1997 £
<b>Gilt edged stocks - listed on a recognised investment exchange</b>		
Cost and net book value		
At 1 April 1997	14,277	14,277
Redemption	(5,000)	-
	<u>9,277</u>	<u>14,277</u>
At 31 March 1998		
<b>7% unsecured loan notes 2007 (formerly 1997) of Cadastra Limited</b>		
Cost and net book value		
At 1 April 1997	7,508,796	7,508,796
Disposal	(7,508,796)	-
	<u>-</u>	<u>7,508,796</u>
At 31 March 1998		
<b>Other loans</b>		
Cost and net book value		
At 1 April 1997 and 31 March 1998	<u>110,000</u>	<u>110,000</u>
<b>Total fixed asset investments at 31 March</b>	<u>119,277</u>	<u>7,633,073</u>
	1998 £	1997 £
<b>Market value of gilt edged stocks</b>	<u>10,500</u>	<u>14,801</u>

**7. CALLED UP SHARE CAPITAL**

	1998 £	1997 £
<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>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1998****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.

**8. 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.

**9. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr J H Williamson.

**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 Leda House, Station Road, Cambridge.