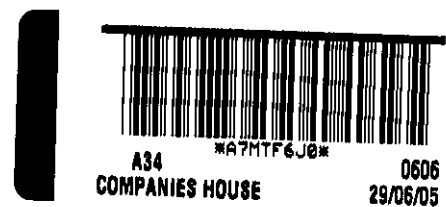


**HARAS INVESTMENTS LIMITED**

**Report and Financial Statements**

**31 March 2004**



# **HARAS INVESTMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

<b>CONTENTS</b>	<b>Page</b>
<b>Director's report</b>	<b>1</b>
<b>Independent auditors' report</b>	<b>2</b>
<b>Profit and loss account</b>	<b>3</b>
<b>Statement of movements on reserves</b>	<b>3</b>
<b>Balance sheet</b>	<b>4</b>
<b>Notes to the accounts</b>	<b>5</b>

# HARAS INVESTMENTS LIMITED

## DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 March 2004.

## 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 (2003 - £77) on the 7% preference shares of £1 and £nil (2003 - £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

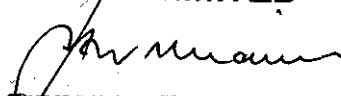
United Kingdom company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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 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.

Approved by the Director  
and signed on his behalf

**for CADASTRA LIMITED**

  
**DIRECTOR/SECRETARY**

Secretary

Leda House  
Station Road  
Cambridge CB1 2RN

## **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 2004 which comprise the profit and loss account, the statement of movements on reserves, 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the director's report is not consistent with the financial statements, if 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 transactions with the company 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.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and  
Registered Auditors  
Cambridge

*28. June 2005.*

# HARAS INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2004

	Note	2004 £	2003 £
Interest on tax refund		16	62
Dividend from subsidiaries		144,053	42,925
Provision against shares in subsidiary		-	(109,299)
<b>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>144,069</b>	<b>(66,312)</b>
Tax on profit (loss) on ordinary activities	2	-	-
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>		<b>144,069</b>	<b>(66,312)</b>
Dividends	5	77	77
<b>PROFIT (LOSS) FOR THE YEAR TRANSFERRED TO RESERVES</b>		<b>143,992</b>	<b>(66,389)</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 2004

	Profit and loss account £
At 1 April 2003	8,696,412
Profit for the year	143,992
At 31 March 2004	8,840,404

# HARAS INVESTMENTS LIMITED

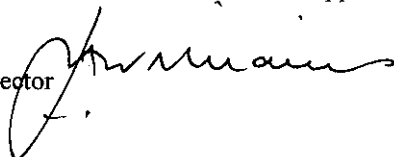
## BALANCE SHEET 31 March 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Investments	6	<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
<b>Debtors :</b>			
Amount due from parent company: falling due after more than one year		16,221,963	16,094,367
Amount due from fellow subsidiary company: falling due within one year		<u>121,568</u>	<u>105,095</u>
		<u>16,343,531</u>	<u>16,199,462</u>
<b>CREDITORS: amounts falling due within one year</b>			
Dividends		<u>1,848</u>	<u>1,771</u>
<b>NET CURRENT ASSETS</b>		<u>16,341,683</u>	<u>16,197,691</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,341,684</u>	<u>16,197,692</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	7,501,280	7,501,280
Profit and loss account		<u>8,840,404</u>	<u>8,696,412</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>16,341,684</u>	<u>16,197,692</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds		16,340,479	16,196,487
Non-equity shareholders' funds		<u>1,205</u>	<u>1,205</u>
		<u>16,341,684</u>	<u>16,197,692</u>

These financial statements were approved by the Director on

28 June 2005

Director



# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2004

### 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.

#### 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 (LOSS) 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% (2003 - 30%). The differences are explained below.

	2004 %	2003 %
Standard rate of tax for year as a percentage of profits (losses)	30	30
Effects of: UK dividend income	(30)	(30)
Current tax rate for year as a percentage of profits (losses)	-	-

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

	2004 £	2003 £
On non equity shares		
Proposed on the 7% preference shares	77	77

# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2004

### 6. FIXED ASSET INVESTMENTS

Fixed asset investments comprise:

Shares in subsidiary companies

£

#### Cost

At 1 April 2003 and 31 March 2004

275,300

#### Provision

At 1 April 2003 and 31 March 2004

275,299

#### Net book value

At 31 March 2004

1

At 31 March 2003

1

### 7. CALLED UP SHARE CAPITAL

	2004 £	2003 £
<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.

### 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 Leda House, Station Road, Cambridge.

The ultimate controlling party is Mr J H Williamson.



# HARAS INVESTMENTS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2004

### 9. SUBSIDIARIES as at 31 March 2004

	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 Leda House, Station Road, Cambridge.