

HARAN LIMITED

COMPANY NUMBER 2675793

DIRECTORS' REPORT AND ACCOUNTS

for the year ended

30 APRIL 2005

STEPHEN J BRIGHT
CHARTERED ACCOUNTANT
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HARAN LIMITED
COMPANY NUMBER 2675793

REPORT OF THE DIRECTORS

The directors of Haran Limited present their annual report together with the financial statements for the company for the year ended 30 April 2005.

1 PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year have continued to be those of property development together with the letting of property.

2 PROFIT FOR THE YEAR AND DIVIDEND

The loss on ordinary activities after taxation for the year amounted to £28,123 (2004 £73,604 profit).

The directors are recommending a final dividend of £15,000 (2004 £27,000) per share payable on 3 March 2006.

After providing for this dividend the retained profit amounted to £608 (2004 £58,731). The detailed movements on the profit and loss account are given in note 14 to the financial statements.

3 DIRECTORS

The directors of the company throughout the year and their interest in the shares of the company as at 30 April 2005 were:

Director

	£1 ordinary shares as at 30 April	
	2005	2004
R Huntley	1	1
Mrs A Roberts-Huntley	1	1

4 TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during the year are summarised in note 8 to the financial statements.

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HARAN LIMITED
COMPANY NUMBER 2675793

REPORT OF THE DIRECTORS (CONT.)

5 STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are 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.

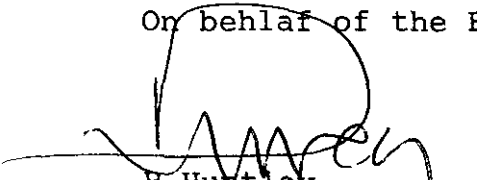
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6 AUDITORS

The company is exempt from audit under the provisions of Section 249A of the Companies Act 1985. No auditors have therefore been appointed by the company.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



R Huntley
Director

22 February 2006

HARAN LTD
 COMPANY NUMBER 2675793
 PROFIT AND LOSS ACCOUNT FOR THE
 YEAR ENDED 30 APRIL 2005

	Note	2005 £	2004 £
TURNOVER	1(b)	125,223	118,661
Cost of Sales		64,366	63,376
GROSS PROFIT		60,857	55,285
Administration expenses		72,431	88,192
OPERATING (LOSS)	3	(11,574)	(32,907)
Exceptional items	4	0	156,519
Interest payable	5	(19,980)	(19,956)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(31,554)	103,656
Taxation	6	(3,431)	30,052
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(28,123)	73,604
Dividends	7	30,000	54,000
RETAINED PROFIT/(LOSS) FOR THE YEAR	14	(58,123)	19,604

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2005 £	2004 £
Profit/(Loss) for the financial year	(58,123)	19,604
Surplus on revaluation	0	38,598
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(58,123)	58,202

The notes on pages 5 to 10 form part of these financial statements

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	8	392,146	373,919
CURRENT ASSETS			
Stocks		2,820	2,355
Debtors	9	178,179	190,007
Cash at bank and in hand		3,859	137,182
		184,858	329,544
CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	10	120,904	132,623
NET CURRENT ASSETS		63,954	196,921
TOTAL ASSETS LESS CURRENT LIABILITIES		456,100	570,840
CREDITORS:			
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	417,753	474,370
		38,347	96,470
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Revaluation reserve	14	37,737	37,737
Profit and loss account	14	608	58,731
SHAREHOLDERS' FUNDS (Equity interests)		38,347	96,470

For the financial year ended 30 April 2005, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985 and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the period and of its profit or loss for the financial period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the Board on 22 February 2006

..... R Huntley, Director

The notes on pages 5 to 10 form part of these financial statements

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005

1 ACCOUNTING POLICIES

a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared on a going concern basis. This is dependant on the continued support of the company's bankers, who have expressed their willingness to continue to provide their support to the company.

b) Turnover

Turnover comprises the invoiced value of sales excluding value added tax. Turnover from property sales is included where the asset concerned is not held for long-term investment purposes.

e) Depreciation

Depreciation is calculated to write off the cost of all tangible assets over their estimated useful lives on the reducing balance basis. The rates applicable are:

Furniture	15% per annum.
Plant and machinery	25% per annum.
Computer equipment	30% per annum.

e) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The entire turnover arises from sales made to customers in the United Kingdom. It comprises

	2005 £	2004 £
Rental income	27,389	35,959
Retail	97,834	82,702
	<hr/> 125,223 <hr/>	<hr/> 118,661 <hr/>

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005 (CONT.)

3. OPERATING PROFIT

The operating profit is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets	2,591	4,527
Loss on disposal of tangible fixed assets	1,115	0
Directors' remuneration	7,500	9,000
and after crediting:		
Rents receivable	27,389	35,959
	-----	-----

4. EXCEPTIONAL ITEMS

	2005 £	2004 £
Profit on disposal of freehold property	0	156,519
	-----	-----

5. INTEREST PAYABLE

	2005 £	2004 £
Bank overdraft interest	0	1,482
Interest on loans repayable in more than five years by instalments	30,512	28,256
	-----	-----
	30,512	29,738
less: interest receivable	10,532	9,782
	-----	-----
	19,980	19,956
	-----	-----

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005 (CONT.)

6. TAXATION

	2005 £	2004 £
UK corporation tax	0	23,957
Advance corporation tax	(3,960)	5,745
Interest on overdue tax	529	350
	<u>(3,431)</u>	<u>30,052</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to small companies (19.0%). The difference is explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>(31,554)</u>	<u>103,656</u>
UK corporation tax at 19.0% (2004 19.0%)	(5,995)	19,695
Effects of:		
Capital allowances in excess of depreciation	144	53
Effect of losses	5,851	0
Expenses not deductible for tax purposes	0	51
Marginal starting rate relief	0	0
Effect of chargeable gains differing accounts and tax treatments	0	4,158
Other items	0	0
	<u>0</u>	<u>23,957</u>

7. DIVIDENDS

	2005 £	2004 £
Net dividend per ordinary share:		
Proposed final £15,000 (2004 £27,000) per share	<u>30,000</u>	<u>54,000</u>

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005 (CONT.)

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	TOTAL £
COST OR VALUATION			
As at 1 May 2004	360,300	40,083	400,383
Additions	21,737	3,696	25,433
Disposals	0	(8,140)	(8,140)
As at 30 April 2005	382,037	35,639	417,676
DEPRECIATION			
As at 1 May 2004	0	26,464	26,464
Provided	0	2,591	2,591
Eliminated	0	(3,525)	(3,525)
As at 30 April 2005	0	25,530	25,530
NET BOOK VALUE			
As at 30 April 2005	382,037	10,109	392,146
As at 30 April 2004	360,300	13,619	373,919

Cost or valuation as at 30 April 2005 is represented by:

	Freehold Property £	Plant & Machinery £	TOTAL £
Cost	344,300	35,639	379,939
Revaluation surplus (1998)	37,737	0	37,737
	382,037	35,639	417,676

9. DEBTORS

	2005 £	2004 £
Trade debtors	309	1,185
Prepayments	0	0
Other debtors	4,887	0
Director's loan (note 15)	172,983	188,822
	178,179	190,007

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005 (CONT.)

10. CREDITORS: AMOUNTS FALLING DUE
 WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	5,816	7,079
Bank overdrafts (secured)	1,722	0
Bank loan (secured)	14,640	15,928
Accruals	1,500	4,160
Corporation tax	30,231	23,957
Advance corporation tax	0	5,745
Other taxation and social security	5,248	2,057
Directors' loans	31,747	19,697
Proposed dividends	30,000	54,000
	-----	-----
	120,904	132,623
	-----	-----

The bank loans and overdrafts are secured on the freehold properties.

11. CREDITORS: AMOUNTS FALLING DUE
 AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Bank loans and overdrafts (secured):		
Amounts falling due repayable		
by instalments:		
Between one and five years	67,123	72,079
In more than five years	350,630	402,291
	-----	-----
	417,753	474,370
	-----	-----

The bank loans and overdrafts are secured on the freehold properties.

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:

	2005 £	2004 £
Accelerated capital allowances	0	0
Revalued properties	7,170	7,170
	-----	-----
	7,170	7,170
less: amounts not provided	7,170	7,170
	-----	-----
	0	0
	=====	=====

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2005 (CONT.)

13. CALLED UP SHARE CAPITAL

	2005 £	2004 £
AUTHORISED		
1,000 ordinary shares of £1 each	1,000	1,000
	-----	-----
ALLOTTED, CALLED UP AND FULLY PAID		
2 ordinary shares of £1 each	2	2
	-----	-----

14. RESERVES

	Profit & Loss account £	Revaluation Reserve £	TOTAL £
As at 1 May 2004	58,731	37,737	96,468
Realisation on disposal	0	0	0
Profit for the year	(58,123)	0	(58,123)
	-----	-----	-----
As at 30 April 2005	608	37,737	38,345
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15. TRANSACTIONS WITH DIRECTORS

During the year the company's letting properties were managed by Hometrust Property Services Limited, a company under the control of the directors. During the year the company received rents amounting to £27,389 (2004 £35,959) under this arrangement and paid £2,739 (2004 £3,576) by way of commission for it.

The company also owns the freehold from which Hometrust Property Services Limited operates. No rent is currently charged in respect of this.

At various times during the year the company advanced funds to Mr R Huntley a director of the company. Details of the advances made were as follows:

	£
Maximum advance	211,658

Balance outstanding as at 30 April 2005	172,983

Interest is charged by the company on the balance of the loan at the Official Rate set for income tax purposes.