

HARAN LIMITED

COMPANY NUMBER 2675793

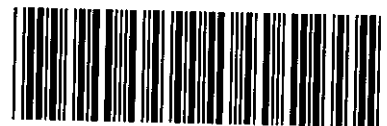
DIRECTORS' REPORT AND ACCOUNTS

for the year ended

30 APRIL 2006

STEPHEN J BRIGHT
CHARTERED ACCOUNTANT
10 HIGHCROFT
EXETER EX4 4JQ

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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 2006.

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 profit on ordinary activities after taxation for the year amounted to £81,421 (2005 £28,123 loss).

The directors are recommending a final dividend of £15,000 (2005 £15,000) per share payable on 3 March 2007.

After making provision for this dividend the distributable reserves as at 30 April 2006 would amount to £52,651 (2005 £608).

Detailed movements on reserves 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 2006 were:

Director

	£1 ordinary shares as at 30 April	
	2006	2005
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.

...../cont.

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.

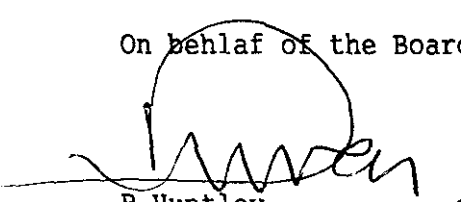
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

27 February 2007

HARAN LTD
 COMPANY NUMBER 2675793
 PROFIT AND LOSS ACCOUNT FOR THE
 YEAR ENDED 30 APRIL 2006

	Note	2006 £	2005 £
TURNOVER	1(b)	51,825	125,223
Cost of Sales		19,748	64,366
		-----	-----
GROSS PROFIT		32,077	60,857
Administration expenses		44,837	72,431
		-----	-----
OPERATING (LOSS)	3	(12,760)	(11,574)
Exceptional items	4	152,033	0
Interest payable	5	(3,620)	(19,980)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		135,653	(31,554)
Taxation	6	54,232	(3,431)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		81,421	(28,123)
Dividends	7	30,000	54,000
		-----	-----
RETAINED PROFIT/(LOSS) FOR THE YEAR	14	51,421 =====	(82,123) =====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2006 £	2005 £
Profit/(Loss) for the financial year	51,421	(82,123)
Surplus on revaluation	0	0
	-----	-----
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	51,421 -----	(82,123) -----

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

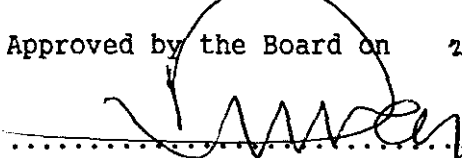
HARAN LTD
COMPANY NUMBER 2675793
BALANCE SHEET AS AT
30 APRIL 2006

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	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	116,763	392,146
CURRENT ASSETS			
Stocks		0	2,820
Debtors	9	305,200	178,179
Cash at bank and in hand		531	3,859
		305,731	184,858
CREDITORS:			
AMOUNTS FALLING DUE WITHIN ONE YEAR	10	104,659	90,904
NET CURRENT ASSETS		201,072	93,954
TOTAL ASSETS LESS CURRENT LIABILITIES		317,835	486,100
CREDITORS:			
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	198,067	417,753
		119,768	68,347
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Revaluation reserve	14	37,115	37,737
Profit and loss account	14	82,651	30,608
SHAREHOLDERS' FUNDS (Equity interests)		119,768	68,347

For the financial year ended 30 April 2006, 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 27 February 2007

..... 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 2006

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 (effective January 2005).

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.

f) Dividends

Dividends are recognised in the financial statements when the shareholders' right to receive payment has been established.

2. TURNOVER

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

	2006 £	2005 £
Rental income	24,629	27,389
Retail	27,196	97,834
	<hr/> 51,825 <hr/>	<hr/> 125,223 <hr/>

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2006 (CONT.)

3. OPERATING PROFIT

The operating profit is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets	1,399	2,591
Loss on disposal of tangible fixed assets	4,586	1,115
Directors' remuneration and after crediting:	9,000	7,500
Rents receivable	24,629	27,389
	-----	-----

4. EXCEPTIONAL ITEMS

	2006 £	2005 £
Profit on disposal of freehold property	152,033	0
	-----	-----

5. INTEREST PAYABLE

	2006 £	2005 £
Bank overdraft interest	508	0
Interest on loans repayable in more than five years by instalments	16,234	30,512
	-----	-----
	16,742	30,512
less: interest receivable	13,122	10,532
	-----	-----
	3,620	19,980
	-----	-----

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2006 (CONT.)

6. TAXATION

	2006 £	2005 £
UK corporation tax	21,604	0
Advance corporation tax	31,990	(3,960)
Interest on overdue tax	638	529
	<hr/>	<hr/>
	54,232	(3,431)
	<hr/>	<hr/>

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:

	2006 £	2005 £
Profit on ordinary activities before tax	135,653	(31,554)
	<hr/>	<hr/>
UK corporation tax at 19.0% (2005 19.0%)	25,774	(5,995)
Effects of:		
Capital allowances in excess of depreciation	823	144
Effect of losses	0	5,851
Expenses not deductible for tax purposes	(33)	0
Effect of chargeable gains differing accounts and tax treatments	(4,960)	0
Other items	(0)	0
	<hr/>	<hr/>
	21,604	0
	<hr/>	<hr/>

7. DIVIDENDS

	2006 £	2005 £
Net dividends per ordinary share paid in the year		
Final £15,000 (2005 £27,000)	30,000	54,000
	<hr/>	<hr/>
	30,000	54,000
	<hr/>	<hr/>

During the year the company adopted Financial Reporting Standard 21 (FRS 21). As a result proposed dividends are no longer recognised as a liability until such time as they are approved by the members of the company in general meeting.

The directors will however be recommending that a final dividend amounting to £15,000 (2005 £15,000) per share be paid on 3 March 2007 to members on the share register on that date and a resolution to this effect will be put before the members for approval at the forthcoming Annual General Meeting.

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2006 (CONT.)

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	TOTAL £
COST OR VALUATION			
As at 1 May 2005	382,037	35,639	417,676
Additions	0	0	0
Disposals	(269,398)	(10,029)	(279,427)
As at 30 April 2006	112,639	25,610	138,249
DEPRECIATION			
As at 1 May 2005	0	25,530	25,530
Provided	0	1,399	1,399
Eliminated	0	(5,443)	(5,443)
As at 30 April 2006	0	21,486	21,486
NET BOOK VALUE			
As at 30 April 2006	112,639	4,124	116,763
As at 30 April 2005	382,037	10,109	392,146

Cost or valuation as at 30 April 2006 is represented by:

	Freehold Property £	Plant & Machinery £	TOTAL £
Cost	75,524	25,610	101,134
Revaluation surplus (1998)	37,115	0	37,115
	112,639	25,610	138,249

9. DEBTORS

	2006 £	2005 £
Trade debtors	299	309
Prepayments	0	0
Other debtors	3,960	4,887
Director's loan (note 15)	300,941	172,983
	305,200	178,179

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2006 (CONT.)

10. CREDITORS: AMOUNTS FALLING DUE
 WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	2,497	5,816
Bank overdrafts (secured)	0	1,722
Bank loan (secured)	6,132	14,640
Accruals	1,595	1,500
Corporation tax	21,604	30,231
Advance corporation tax	31,990	0
Other taxation and social security	1,623	5,248
Directors' loans	39,218	31,747
	<hr/> 104,659 <hr/>	<hr/> 90,904 <hr/>

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

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

	2006 £	2005 £
Bank loans and overdrafts (secured):		
Amounts falling due repayable		
by instalments:		
Between one and five years	28,436	67,123
In more than five years	169,631	350,630
	<hr/> 198,067 <hr/>	<hr/> 417,753 <hr/>

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

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:

	2006 £	2005 £
Accelerated capital allowances	0	0
Revalued properties	7,052	7,170
	<hr/> 7,052 <hr/>	<hr/> 7,170 <hr/>
less: amounts not provided	7,052	7,170
	<hr/> 0 <hr/>	<hr/> 0 <hr/>

HARAN LTD
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 30 APRIL 2006 (CONT.)

13. CALLED UP SHARE CAPITAL

	2006 £	2005 £
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
	-----	-----

The company's entire share capital is controlled by Mr and Mrs R Huntley

14. RESERVES

	Profit & Loss account £	Revaluation Reserve £	TOTAL £
As at 1 May 2005 as previously stated	608	37,737	38,345
Prior year adjustment (note 7)	30,000	0	30,000
	-----	-----	-----
As restated	30,608	37,737	68,345
Realisation on disposal	622	(622)	0
Profit for the year	51,421	0	51,421
	-----	-----	-----
As at 30 April 2006	82,651	37,115	119,766
	-----	-----	=====

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 £24,629 (2005 £27,384) under this arrangement and paid £2,894 (2005 £3,218) by way of commission for it.

In May 2005 the company sold one of its freehold properties to Mr and Mrs R Huntley, directors and controlling shareholders of the company, for £150,000 which was its perceived open market value.

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	300,941

Balance outstanding as at 30 April 2006	313,191

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