

Proportion (Holdings) Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2004



Company Registration No. 2783235

Proportion (Holdings) Limited

DIRECTORS AND OFFICERS

DIRECTORS

P Ferstendik

K Fox

SECRETARY

K Fox

REGISTERED OFFICE

3 Blackhorse Lane
London E17 6DS

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

SOLICITORS

James Gordon
Gordons Solicitors
22 Great James Street
London WC1N 3ES

Proportion (Holdings) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Proportion (Holdings) Limited for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a dormant holding company.

REVIEW OF THE BUSINESS

The company has been dormant throughout the year.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The following directors have held office since 1 January 2004:

P Ferstendik
K Fox

DIRECTORS' INTERESTS IN SHARES

The directors held no interests in the shares of the company during the year. The directors' interests in the shares of the parent company are disclosed in that company's financial statements.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

K Fox
Secretary

7 October 2005



Proportion (Holdings) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROPORTION (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 7.

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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting 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 to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 judgments made by the directors 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 at 31 December 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

7 October 2005

Proportion (Holdings) Limited

BALANCE SHEET

31 December 2004

	<i>Notes</i>	2004 £	2003 £
CAPITAL AND RESERVES			
Called up share capital	1	10,362	10,362
Share premium account	2	81,479	81,479
Profit and loss account		(91,841)	(91,841)
SHAREHOLDERS' FUNDS			
		-	-

The company did not trade during the year.

Approved by the board on 7 October 2005

K Fox

Director



Proportion (Holdings) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company is exempt from the requirement to prepare group financial statements by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Proportion (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2004

1	SHARE CAPITAL	2004 £	2003 £
	Authorised:		
	54,400 ordinary shares of £0.10 each	5,440	5,440
	49,220 ordinary A shares of £0.10 each	4,922	4,922
		<u>10,362</u>	<u>10,362</u>
	Allotted, issued and fully paid:		
	54,400 ordinary shares of £0.10 each	5,440	5,440
	49,220 ordinary A shares of £0.10 each	4,922	4,922
		<u>10,362</u>	<u>10,362</u>
2	SHARE PREMIUM ACCOUNT	2004 £	2003 £
	1 January 2004	81,479	81,479
	31 December 2004	<u>81,479</u>	<u>81,479</u>

3 CONTROLLING PARTY

The company's immediate and ultimate parent company on 31 December 2004 is Mandora Group Limited, a company incorporated in Great Britain. Copies of its accounts are available from:

Mandora Group Limited
Blackhorse Lane
London E17 6DS

The controlling party is PS Ferstendik.