

Company Registration No. 3221790 (England and Wales)

**DRAYHAWK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**



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COMPANIES HOUSE 26/10/2006

# DRAYHAWK LIMITED

## COMPANY INFORMATION

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**Directors**

G Lee  
E Azouz  
J Azouz  
J G Davies

**Secretary**

E Elliott

**Company number**

3221790

**Registered office**

1001 Finchley Road  
London  
NW11 7HB

**Auditors**

Sedley Richard Laurence Vouters  
1 Conduit Street  
London  
W1S 2XA

**Business address**

1001 Finchley Road  
London  
NW11 7HB

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**DRAYHAWK LIMITED**

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# DRAYHAWK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

### Principal activities and review of the business

The principal activity of the company up to 31 December 2005 was that of property development.

On 31 December 2005, the Pathfinder Group undertook a restructuring exercise and as a result the business and assets of the company were transferred to Merchant City Limited, which is now the immediate parent company.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

### Directors

The following directors have held office since 1 January 2005:

G Lee  
E Azouz  
J Azouz  
J G Davies

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary "A" shares of £1 each of £ 1 each	
	31 December 2005	1 January 2005
G Lee	-	-
E Azouz	-	-
J Azouz	-	-
J G Davies	-	-

	Ordinary "B" shares of £1 each of £ 1 each	
	31 December 2005	1 January 2005
G Lee	-	-
E Azouz	-	-
J Azouz	-	-
J G Davies	-	-

The interests of the directors in the ultimate parent company, Pathfinder Properties PLC, are disclosed in that company's financial statements.

### Creditor payment policy

The company's policy is to pay suppliers in accordance with the payment terms negotiated with them. Thus, payment is normally made to those suppliers meeting the company's obligations.

On average, trade creditors at the year end represented 0 days' purchases.

# DRAYHAWK LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

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### Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Sedley Richard Laurence Voulters, will be deemed to be reappointed for each succeeding financial year.

### Directors' responsibilities

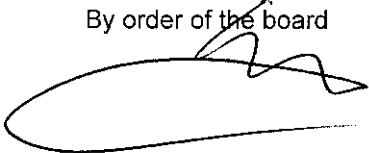
The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

By order of the board



E Elliott

**Secretary**

6 September 2006

# **DRAYHAWK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DRAYHAWK LIMITED**

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We have audited the financial statements of Drayhawk Limited for the year ended 31 December 2005 set out on pages 5 to 10. These financial statements have been prepared in accordance with 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 directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 or 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

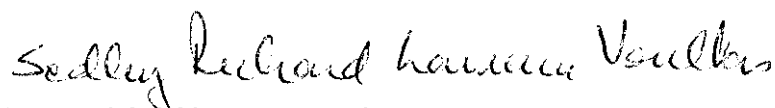
# DRAYHAWK LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF DRAYHAWK LIMITED

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### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Sedley Richard Laurence Voulters**

6 September 2006

Chartered Accountants

**Registered Auditor**

1 Conduit Street  
London  
W1S 2XA

# DRAYHAWK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	-	9,852
Administrative expenses		(1,534)	(1,318)
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(1,534)</b>	<b>8,534</b>
Other interest receivable and similar income	4	-	1,153
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(1,534)</b>	<b>9,687</b>
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/profit for the year</b>	<b>9</b>	<b>(1,534)</b>	<b>9,687</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# DRAYHAWK LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
<b>Current assets</b>					
Debtors	6	42,685		27,972	
Cash at bank and in hand		-		30,362	
		<u>42,685</u>		<u>58,334</u>	
<b>Creditors: amounts falling due within one year</b>	7	-		(14,115)	
<b>Total assets less current liabilities</b>			<u>42,685</u>		<u>44,219</u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss account	9		42,585		44,119
<b>Shareholders' funds</b>	10		<u>42,685</u>		<u>44,219</u>

Approved by the Board and authorised for issue on 6 September 2006

G Lee  
Director

# DRAYHAWK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for service charges receivable.

#### 1.4 Deferred taxation

The accounting policy in respect of deferred tax to reflect the requirements of FRS19 - Deferred tax is to provide in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Operating (loss)/profit</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	750	750
Remuneration of auditors for non-audit work	500	500
	<u>          </u>	<u>          </u>
 <b>4 Investment income</b>	 <b>2005</b>	 <b>2004</b>
	<b>£</b>	<b>£</b>
Other interest	-	1,153
	<u>          </u>	<u>          </u>

# DRAYHAWK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

<b>5</b>	<b>Taxation</b>	<b>2005</b>	<b>2004</b>
	Current tax charge	-	-
		<u>          </u>	<u>          </u>
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(1,534)	9,687
		<u>          </u>	<u>          </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004 - 30.00%)	(460)	2,906
		<u>          </u>	<u>          </u>
	Effects of:		
	Group relief	460	(2,906)
		<u>          </u>	<u>          </u>
		460	(2,906)
		<u>          </u>	<u>          </u>
	Current tax charge	-	-
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Debtors</b>	<b>2005</b>	<b>2004</b>
		£	£
	Amounts owed by parent and fellow subsidiary undertakings	42,685	-
	Corporation tax	-	183
	Other debtors	-	27,789
		<u>          </u>	<u>          </u>
		42,685	27,972
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>2005</b>	<b>2004</b>
		£	£
	Amounts owed to parent and fellow subsidiary undertakings	-	12,865
	Accruals and deferred income	-	1,250
		<u>          </u>	<u>          </u>
		-	14,115
		<u>          </u>	<u>          </u>

# DRAYHAWK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

8	Share capital	2005 £	2004 £
	<b>Authorised</b>		
	800 Ordinary "A" shares of £1 each of £1 each	800	800
	200 Ordinary "B" shares of £1 each of £1 each	200	200
		<u>1,000</u>	<u>1,000</u>
	<b>Allotted, called up and fully paid</b>		
	80 Ordinary "A" shares of £1 each of £1 each	80	80
	20 Ordinary "B" shares of £1 each of £1 each	20	20
		<u>100</u>	<u>100</u>

The "A" ordinary shares and the "B" ordinary shares rank pari passu in all respects.

9	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2005	44,119
	Loss for the year	(1,534)
	Balance at 31 December 2005	<u>42,585</u>

10	Reconciliation of movements in shareholders' funds	2005 £	2004 £
	(Loss)/Profit for the financial year	(1,534)	9,687
	Opening shareholders' funds	<u>44,219</u>	<u>34,532</u>
	Closing shareholders' funds	<u>42,685</u>	<u>44,219</u>

### 11 Employees

#### Number of employees

There were no employees during the year apart from the directors.

# **DRAYHAWK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005**

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### **12 Control**

The immediate parent company is Merchant City Limited and the ultimate parent and controlling party is Pathfinder Properties PLC, a company registered in England and Wales.

Pathfinder Properties PLC prepares group financial statements and copies can be obtained from 1001 Finchley Road, London, NW11 7HB.

### **13 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.