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AIT TRADING LIMITED

REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 28 FEBRUARY 2005

AIT TRADING LIMITED

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AIT TRADING LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

RA Hammond-Chambers
MJ Barstow
MF Heathcoat Amory
DH Hunter

AUDITORS

RSM Robson Rhodes LLP
Chartered Accountants and
Registered Auditors
186 City Road
London EC1V 2NU

SECRETARY

Cavendish Administration Limited

BANKERS

Lloyds Bank plc
34 Moorgate
London EC2R 6PL

REGISTERED OFFICE

Crusader House
145-157 St John Street
London
EC1V 4RU

REGISTERED IN ENGLAND

No. 3285920

AIT TRADING LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 28 February 2005.

RESULTS AND DIVIDENDS
The results for the year are set out on page 7 to the financial statements.
The directors do not recommend a dividend.

PRINCIPAL ACTIVITY
The company's principal activity during the period was and continues to be the trading of securities in support of its parent company, Aurora Investment Trust plc.

REVIEW OF THE BUSINESS AND GOING CONCERN STATEMENT
The directors are pleased that trading during the year resulted in a profit and that the net deficit position at 29 February 2004 has been eliminated.

DIRECTORS AND THEIR INTERESTS
The directors of the company at 28 February 2005 were as follows:

RA Hammond-Chambers
MJ Barstow
MF Heathcoat Amory
DH Hunter

None of the above directors had any interest in the issued share capital of the company at 28 February 2005. All the above directors are also directors of Aurora Investment Trust plc, which is the sole shareholder of the company. Their interests in the share capital of Aurora Investment Trust plc are disclosed in the accounts of that company.

ELECTIVE RESOLUTIONS
Resolutions are in force as follows:

1. In accordance with section 366A of the Companies Act 1985 to dispense with annual general meetings until further notice.
2. To dispense with the laying of accounts and reports before the Company in general meeting, in accordance with section 252 of the Companies Act 1985.
3. To dispense with the annual re-appointment of auditors, in accordance with section 386 of the Companies Act 1985

By order of the Board

J. L. Lutkin

Cavendish Administration Limited
Company Secretary

18 May 2005

AIT TRADING LIMITED

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 which are reasonable and prudent;
- follow applicable United Kingdom accounting standards; and
- prepare the financial statements on the going concern basis.

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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AIT TRADING LIMITED

We have audited the financial statements on pages 7 to 11.

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions 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 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 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 the information contained in the Annual 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 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 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 accounts give a true and fair view of the state of affairs of the company as at 28 February 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
London, England

18 May 2005

AIT TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2005

	Notes	Year ended 28 February 2005	*Year ended 29 February 2004*
Profit/(loss) on disposal of current asset investments		195,133	*171,551*
Investment income	2	1,095	*7,435*
Bank interest		123	*934*
		196,351	*179,920*
Profit before interest and taxation		196,351	*179,920*
Bank charges and interest		(721)	*(166)*
Profit on ordinary activities before taxation		195,630	*179,754*
Tax on profit on ordinary activities	3	-	*436*
Profit for the financial period		195,630	*180,190*
Profit retained for financial year		195,630	*180,190*

All the above results relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

The notes on pages 9 to 11 form an integral part of these financial statements

AIT TRADING LIMITED

BALANCE SHEET AT 28 FEBRUARY 2005

	Notes	2005	*2004*
		£	*£*
Current assets			
Debtors	4	1,201	*1,289*
Cash at bank and in hand		153,200	*1,519*
		154,401	*2,808*
Creditors: amounts falling due within one year			
Loan from parent company	5	-	*44,037*
Net current liabilities		-	*(41,229)*
Total assets less current liabilities		154,401	*(41,229)*
Capital and reserves			
Called up share capital	6	2	*2*
Profit and loss account	7	154,399	*(41,231)*
Shareholders' funds – equity		154,401	*(41,229)*

Approved by the board of directors on 18 May 2005 and signed on their behalf by

RA Hammond-Chambers Director

The notes on pages 9 to 11 form an integral part of these financial statements

AIT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2005

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards.

Investment income

Income from ordinary shares is accounted for on ex-dividend dates.

Cash flow statement

The financial statements do not include a cash flow statement because the company is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 (Revised): 'Cash flow statements'.

Taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

2. Investment income

	2005	*2004*
	£	*£*
Franked investment income	1,095	*7,435*
	1,095	*7,435*

3. Taxation

	2005	*2004*
	£	*£*
Overseas tax recovered	-	*(436)*
	-	*(436)*

AIT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2004 (CONTINUED)

3. Taxation (continued)

The current taxation charge for the year is different from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005	*2004*
	£	*£*
Profit/(loss) on ordinary activities before taxation	195,630	*179,754*
Theoretical tax at UK corporation tax rate of 30% *(2003 30%)*	58,689	*53,926*
Effects of:		
- Movement in deferred tax	(58,652)	*(53,646)*
- Benefits of smaller companies rate and starting rate of tax	(37)	*(280)*
Prior year adjustment: refund of foreign tax	-	*(436)*
	(58,689	
Actual current tax charge/(credit)	-	*(436)*

Factors that may affect future tax charges

The company has excess trading losses of £17,060 *(2004: £212,566)* that are available to offset future taxable profits. A deferred tax asset has not been recognised in respect of those losses and will be recoverable only to the extent that the company has sufficient future taxable profits.

4. Debtors

	2005	*2004*
	£	*£*
Bank interest receivable	-	*88*
Sundry debtors	2	*2*
Overseas tax recoverable	1,199	*1,199*
	1,201	*1,289*

5. Creditors: amounts falling due within one year

	2005	*2004*
	£	*£*
Loan from parent company	-	*44,037*
	-	*44,037*

AIT TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2004 (CONTINUED)

6. Called up share capital

	2005	*2004*
Authorised share capital:		
100 ordinary shares of £1	100	*100*
Issued called up and unpaid:		
2 ordinary shares of £1	2	*2*

7. Reconciliation of shareholders' funds and movement on reserves

	2005			*2004*		
	Share capital	Profit and Loss Account	Total Shareholders' Funds	*Share capital*	*Profit and Loss Account*	*Total Shareholders' Funds*
	£	£	£	*£*	*£*	*£*
At start of year	2	(41,231)	(41,229)	*2*	*(221,421)*	*(221,419)*
Profit for the year	-	195,630	195,630	-	*180,190*	*180,190*
At 29 February	2	154,399	154,401	*2*	*(41,231)*	*(41,229)*

8. Related parties

The company's ultimate parent undertaking is Aurora Investment Trust Plc, a company registered in England and Wales. It has included the Company in its group accounts, which are publicly available form the registered office at Crusader House, 145-157 St John Street, London EC1V 4RU. No disclosure is made of transactions with the parent company as advantage is taken of the exemption available to undertakings where 90% of the voting rights are controlled within the group.