

V & A Capital Limited

Financial Statements For the Year Ending 31 December 2004

Company Registration Number 04124849



V & A Capital Limited

Financial Statements

Year Ended 31 December 2004

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V & A Capital Limited

Officers and Professional Advisers

The Director

Dr J Vale e Azevedo

Company Secretary

J R Short

Registered Office

Merlin Place
Milton Road
Cambridge
CB4 0DP

Auditors

Peters Elworthy & Moore
Chartered Accountants
& Registered Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Solicitors

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

V & A Capital Limited

The Director's Report

Year Ended 31 December 2004

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2004.

Principal Activities

The principal activity of the company during the year was to act as a holding company.

The Director and His Interests in the Shares of the Company

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 December 2004	At 1 January 2004
Dr J Vale e Azevedo	<u>1,032,537</u>	<u>1</u>

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

Auditors

A resolution to re-appoint Peters Elworthy & Moore as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

V & A Capital Limited

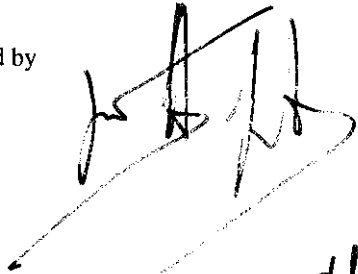
The Director's Report *(continued)*

Year Ended 31 December 2004

Small Company Provisions

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

Signed by



Dr J Vale e Azevedo

Director

Approved by the director on 11 October 2005

V & A Capital Limited

Independent Auditors' Report to the Shareholders of V & A Capital Limited

Year Ended 31 December 2004

We have audited the financial statements of V & A Capital Limited for the year ended 31 December 2004 on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 8.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 director 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.

V & A Capital Limited

Independent Auditors' Report to the Shareholders of V & A Capital Limited *(continued)*


Year Ended 31 December 2004

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Salisbury House
Station Road
Cambridge
CB1 2LA

21 October 2005


PETERS ELWORTHY & MOORE
Chartered Accountants
& Registered Auditors

V & A Capital Limited

Profit and Loss Account

Year Ended 31 December 2004

	Note	2004 £	2003 £
Turnover		—	—
Administrative expenses		<u>105,346</u>	—
Operating Loss	2	(105,346)	—
Interest receivable	3	174,455	31,794
Interest payable and similar charges		(929)	(31,794)
Profit on Ordinary Activities Before Taxation		<u>68,180</u>	—
Tax on profit on ordinary activities	4	16,637	—
Retained Profit for the Financial Year		<u>51,543</u>	—

The notes on pages 8 to 11 form part of these financial statements.

V & A Capital Limited

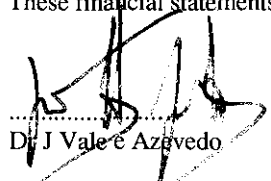
Balance Sheet

31 December 2004

	Note	£	2004 £	£	2003 £
Fixed Assets					
Investments	5		2,844,433		—
Current Assets					
Debtors	6	18,701,465		925,715	
Creditors: Amounts Falling due Within One Year	7	<u>17,731,387</u>		<u>925,714</u>	
Net Current Assets			<u>970,078</u>		<u>1</u>
Total Assets Less Current Liabilities			<u>3,814,511</u>		<u>1</u>
Capital and Reserves					
Called-up equity share capital	9		3,762,968		1
Profit and loss account			<u>51,543</u>		<u>—</u>
Shareholders' Funds			<u>3,814,511</u>		<u>1</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 11 October 2005


Dr J Vale e Azavedo

The notes on pages 8 to 11 form part of these financial statements.

V & A Capital Limited

Notes to the Financial Statements

Year Ended 31 December 2004

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Fixed assets

All fixed assets are initially recorded at cost.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Operating Loss

Operating loss is stated after charging/(crediting):

	2004	2003
	£	£
Auditors' fees	1,000	
Net profit on foreign currency translation	<u>(11,057)</u>	<u>—</u>

3. Interest Receivable

	2004	2003
	£	£
Other loan interest receivable	—	31,794
Interest from group undertakings	<u>174,455</u>	<u>31,794</u>
	<u>174,455</u>	<u>31,794</u>

4. Taxation on Ordinary Activities

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - %)	<u>16,637</u>	<u>—</u>
Total current tax	<u>16,637</u>	<u>—</u>

V & A Capital Limited

Notes to the Financial Statements

Year Ended 31 December 2004

5. Investments

	Shares in subsidiary undertaking £
Cost	
Additions	2,844,433
At 31 December 2004	<u>2,844,433</u>
Net Book Value	
At 31 December 2004	<u>2,844,433</u>

The company owns 99.9% of the issued share capital of Vale e Azevedo Capital - Consultadonia De Gestae Empressarial SA, a company incorporated and operating in Portugal. The nature of its business is investment in the sugar and starch industry, investment in real estate and the provision of corporate advisory services.

	2004 €	2003 €
Aggregate capital and reserves		
Vale e Azevedo Capital Consultadonia De Gestae Empressarial SA	28,357,086	—
Profit and (loss) for the year		
Vale A Azevedo Capital Consultadonia De Gestae Empressarial SA	296,008	—

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

6. Debtors

	2004 £	2003 £
Amounts owed by group undertakings	18,701,464	—
Called up share capital not paid	1	1
Other debtors	—	925,714
	<u>18,701,465</u>	<u>925,715</u>

7. Creditors: Amounts Falling due Within One Year

	2004 £	2003 £
Amounts owed to group undertakings	17,711,500	—
Corporation tax	16,637	—
Other creditors	3,250	925,714
	<u>17,731,387</u>	<u>925,714</u>

V & A Capital Limited

Notes to the Financial Statements

Year Ended 31 December 2004

8. Related Party Transactions

The company was under the control of Dr J Vale e Azevedo throughout the current and previous year. Dr J Vale e Azevedo is the sole director and was 100% shareholder until 17 March 2004. From this date he owned 27% of the share capital. The remaining 73% of the company's share capital is owned by SIPOR Holdings SA, of which Dr J Vale e Azevedo controls 100% of the share capital.

Dr J Vale e Azevedo made an unsecured loan to the company amounting to €1,207,090 (equivalent to £852,459 at 31 December 2003). Interest was charged at 3.5% per annum on the loan and amounted to £929 for the period. This loan was repaid during the year by the issue of shares in V & A Capital Limited.

V & A Capital Limited in turn made a secured loan to Vale e Azevedo Capital - Consultdonia e Gestae Empressarial SA, its subsidiary, amounting to €1,207,090, equivalent to £852,459 at 31 December 2003. Interest is charged at 3.5% per annum and amounted to €46,751 in the year (equivalent to £33,122).

On 9 November 2004 SIPOR Holding SA made an unsecured loan to V & A Capital Limited amounting to €25,000,000 (equivalent to £17,500,000). The loan is repayable on demand which shall be no earlier than 9 November 2005 and is interest free. At 31 December 2004, the sum owed to SIPOR Holding SA amounted to €25,000,000 (equivalent to £17,711,500).

V & A Capital Limited in turn made a secured loan to Vale e Azevedo Capital - Consultdonia e Gestae Empressarial SA, amounting to €25,000,000. It was made for an initial 12 months and will be renewed for successive periods of 12 months unless and until notice to the contrary is served on them by V & A Capital Limited. Interest is charged at 3.5% per annum and amounted to €199,493 in the period (equivalent to £141,333).

As at the balance sheet date the total amount outstanding on loans made to Vale E Azevedo Capital - Consultdonia e Gestae Empressarial SA was €26,207,090 (equivalent to £18,566,675 using the exchange rate for 31 December 2004) plus accrued interest of £247,943.

During the year Vale e Azevedo Capital - Consultdonia e Gestae Empressarial SA paid all of the management expenses of the company amounting to £113,153. As at the balance sheet date £113,153 was outstanding.

As a result of the above transactions the net amount due to the company from Vale e Azevedo Capital - Consultdonia e Gestae Empressarial SA amounts to £18,701,464.

V & A Capital Limited

Notes to the Financial Statements

Year Ended 31 December 2004

9. Share Capital

Authorised share capital:

	2004	2003
	£	£
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>100</u>

Allotted and called up:

	2004	2003
	No	No
	£	£
Ordinary shares of £1 each	<u>3,762,968</u>	<u>1</u>
	<u>3,762,968</u>	<u>1</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2004	2003
	£	£
Ordinary shares	<u>1</u>	<u>1</u>

10. Post Balance Sheet Events

On 3 February 2005 V & A Capital Limited increased its authorised share capital to 300,000,000 ordinary share of £1.

This enabled the company to allot 17,500,000 ordinary £1 shares to SIPOR as consideration of the outstanding loan and accrued interest at that date.

11. Ultimate Parent Company

The company is a 72% subsidiary of SIPOR Holdings SA which is incorporated in Luxembourg and which prepares consolidated financial statements for the group.