

COMPANY REGISTRATION NUMBER 4687976

C&C HITECH HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2004

SLAVEN JEFFCOTE LLP

Chartered Certified Accountants & Registered Auditors

1 Lumley Street
Mayfair
London
W1K 6TT



C&C HITECH HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

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C&C HITECH HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr B Choudhrie Mr C P Thomas Lumley Management Limited
Company secretary	JD Secretariat Limited
Registered office	1 Lumley Street Mayfair London W1K 6TT
Auditors	Slaven Jeffcote LLP Chartered Certified Accountants & Registered Auditors 1 Lumley Street Mayfair London W1K 6TT
Bankers	Barclays Bank Plc 2 Victoria Street London SW1H 0ND

C&C HITECH HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their 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 that of an investment company.

DIRECTORS

The directors who served the company during the year were as follows:

Mr B Choudhrie

Mr C P Thomas

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Mr C P Thomas was appointed as a director on 30 April 2004.

Lumley Management Limited was appointed as a director on 28 July 2006.

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 year.

In preparing those financial statements, the directors are 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 directors 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 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. The directors 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.

AUDITORS

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

C&C HITECH HOLDINGS LIMITED

THE DIRECTORS' 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.

Registered office:
1 Lumley Street
Mayfair
London
W1K 6TT

Signed by order of the directors



JD SECRETARIAT LIMITED
Company Secretary

Approved by the directors on ...03/05/06...

C&C HITECH HOLDINGS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
C&C HITECH HOLDINGS LIMITED
YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements of C&C Hitech Holdings Limited for the year ended 31 December 2004 on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are 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 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

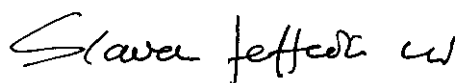
BASIS OF AUDIT OPINION

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



SLAVEN JEFFCOTE LLP
Chartered Certified Accountants
& Registered Auditors

1 Lumley Street
Mayfair
London
W1K 6TT

31.8.06.....

C&C HITECH HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2004

	Note	Year to 31 Dec 04 £	Period from 6 Mar 03 to 31 Dec 03 £
TURNOVER		—	—
Administrative expenses		<u>11,164</u>	<u>5,135</u>
OPERATING LOSS	2	(11,164)	(5,135)
Interest receivable		<u>4,018</u>	<u>—</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,146)	(5,135)
Tax on loss on ordinary activities	3	<u>—</u>	<u>—</u>
LOSS FOR THE FINANCIAL YEAR		<u>(7,146)</u>	<u>(5,135)</u>

All of the activities of the company are classed as continuing.

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

C&C HITECH HOLDINGS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2004

	Year to 31 Dec 04 £	Period from 6 Mar 03 to 31 Dec 03 £
Loss for the financial year attributable to the shareholders	(7,146)	(5,135)
Unrealised profit on revaluation of: Participating interest - Cost brought forward	10,279	—
	<u>3,133</u>	<u>(5,135)</u>
Currency translation differences on foreign currency net investments	161,969	10,901
Total gains and losses recognised since the last annual report	<u>165,102</u>	<u>5,766</u>

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

C&C HITECH HOLDINGS LIMITED

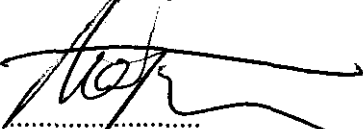
BALANCE SHEET

31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	4	6,624,768	<u>2,074,382</u>
CURRENT ASSETS			
Debtors	5	4,018	—
Cash at bank		<u>47,321</u>	—
		51,339	—
CREDITORS: Amounts falling due within one year	6	<u>3,612</u>	<u>1,723,395</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>47,727</u>	<u>(1,723,395)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,672,495</u>	<u>350,987</u>
CREDITORS: Amounts falling due after more than one year	7	<u>6,510,906</u>	<u>344,221</u>
		<u>161,589</u>	<u>6,766</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	1,000	1,000
Profit and loss account	10	<u>160,589</u>	<u>5,766</u>
SHAREHOLDERS' FUNDS	11	<u>161,589</u>	<u>6,766</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 31/8/06..... and are signed on their behalf by:



.....
LUMLEY MANAGEMENT LIMITED

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

C&C HITECH HOLDINGS 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.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fixed assets

All fixed assets are initially recorded at cost.

Foreign currencies

Foreign investments which are financed mainly by foreign borrowings are converted into sterling at the rates of exchange ruling at the balance sheet date. The gain or loss on the movement in the exchange rate is taken to a foreign equity reserve. Exchange gains or losses in respect of foreign borrowings are offset against the gains or losses arising from the foreign investments and recognised in the foreign equity reserve. Gains or losses on foreign borrowings in excess of the gains and losses on foreign investments are taken to the profit and loss account.

Other 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. These exchange differences are taken into account in arriving at the operating profit.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Year to 31 Dec 04 £	Period from 6 Mar 03 to 31 Dec 03 £
Directors' emoluments	—	—
Auditors' fees	1,500	1,200
Net (profit)/loss on foreign currency translation	<u>(4,811)</u>	<u>3,016</u>

C&C HITECH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

3. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2003 - 30%).

	Year to 31 Dec 04 £	Period from 6 Mar 03 to 31 Dec 03 £
Loss on ordinary activities before taxation	(7,146)	(5,135)
Profit/(loss) on ordinary activities by rate of tax	(2,144)	(1,540)
Utilisation of Nil Band	-	1,540
Tax Losses carried forward	2,144	-
Total current tax	-	-

4. INVESTMENTS

	Shares in participating interest £	Other Shares £	Total £
COST OR VALUATION			
At 1 January 2004	2,074,382	-	2,074,382
Additions	-	563,750	563,750
Revaluations	10,279	-	10,279
At 31 December 2004	2,084,661	563,750	2,648,411
LOANS			
Advanced in year	3,976,357	-	3,976,357
At 31 December 2004	3,976,357	-	3,976,357
NET BOOK VALUE			
At 31 December 2004	6,061,018	563,750	6,624,768
At 31 December 2003	2,074,382	-	2,074,382

C&C HITECH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

4. INVESTMENTS *(continued)*

The company owns 50% of the issued share capital of AMST Holdings GmbH, which is registered in Austria. The company also owns 9.29% of the issued share capital of Azimuth Technologies Limited, a company listed on the Tel-Aviv stock exchange and registered in Israel.

	2004 £	2003 £
Aggregate capital and reserves		
AMST Holdings GmbH	2,680,862	3,210,918
Azimuth Technologies Limited	2,808,908	–
Profit and (loss) for the year		
AMST Holdings GmbH	(3,939,198)	(768,811)
Azimuth Technologies Limited	(248,811)	–

5. DEBTORS

	2004 £	2003 £
Other debtors	<u>4,018</u>	<u>–</u>

6. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Amounts owed to undertakings in which the company has a participating interest	–	1,722,195
Other creditors	<u>3,612</u>	<u>1,200</u>
	<u>3,612</u>	<u>1,723,395</u>

7. CREDITORS: Amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to group undertakings	<u>6,510,906</u>	<u>344,221</u>

8. RELATED PARTY TRANSACTIONS

In the opinion of the director there is no one controlling party.

During the year under review, C&C Hitech Holdings Limited charged interest of £4,018 (2003 - nil) on a loan to AMST-Systemtechnik GmbH. AMST-Systemtechnik is a wholly owned subsidiary of AMST Holdings GmbH, a company in which C&C Hitech Holdings own 50% of the issued share capital.

C&C HITECH HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

9. SHARE CAPITAL

Authorised share capital:

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

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

10. PROFIT AND LOSS ACCOUNT

	Year to 31 Dec 04 £	Period from 6 Mar 03 to 31 Dec 03 £
Balance brought forward	5,766	-
Accumulated loss for the financial year	(7,146)	(5,135)
Foreign currency retranslation	<u>161,969</u>	<u>10,901</u>
Balance carried forward	<u>160,589</u>	<u>5,766</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Loss for the financial year	(7,146)	(5,135)
New equity share capital subscribed	-	1,000
Foreign Currency Retranslation	<u>161,969</u>	<u>10,901</u>
Net addition to shareholders' equity funds	<u>154,823</u>	<u>6,766</u>
Opening shareholders' equity funds	<u>6,766</u>	<u>-</u>
Closing shareholders' equity funds	<u>161,589</u>	<u>6,766</u>

12. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking at the balance sheet date is Harberry Investments Limited, a company incorporated in the British Virgin Islands.

The parent undertaking of the largest group for which group accounts including C&C Hitech Holdings Limited are drawn up is C&C Sons Limited.