

COMPANY REGISTRATION NUMBER 4687976

**C&C HITECH HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2007**



**SLAVEN JEFFCOTE LLP**  
Chartered Certified Accountants & Registered Auditors  
1 Lumley Street  
Mayfair  
London  
W1K 6TT

# **C&C HITECH HOLDINGS LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

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**C&C HITECH HOLDINGS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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

# **C&C HITECH HOLDINGS LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

The directors present their report and the financial statements of the company for the period from 1 January 2006 to 31 March 2007

#### **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 period were as follows

B Choudhrie  
C P Thomas

Lumley Management Limited was appointed as a director on 13 August 2007

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- 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 that 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **AUDITOR**

A resolution to re-appoint Slaven Jeffcote LLP as auditor 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)*

**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

### **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 *23/04/08*

**C&C HITECH HOLDINGS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**C&C HITECH HOLDINGS LIMITED**  
**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

We have audited the financial statements of C&C Hitech Holdings Limited for the period from 1 January 2006 to 31 March 2007, which have been prepared on the basis of the accounting policies set out on page 9

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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

**C&C HITECH HOLDINGS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**C&C HITECH HOLDINGS LIMITED** *(continued)*  
**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

**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 March 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



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Mayfair  
London  
W1K 6TT

SLAVEN JEFFCOTE LLP  
Chartered Certified Accountants  
& Registered Auditors

23/4/08

# C&C HITECH HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

	Note	Period from 1 Jan 06 to 31 Mar 07 £	Year to 31 Dec 05 £
<b>TURNOVER</b>		—	—
Administrative expenses		<u>80,254</u>	<u>31,676</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(80,254)</b>	<b>(31,676)</b>
Interest receivable		<u>18,627</u>	<u>36,803</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(61,627)</b>	<b>5,127</b>
Tax on (loss)/profit on ordinary activities	<b>3</b>	—	—
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		<b><u>(61,627)</u></b>	<b><u>5,127</u></b>

All of the activities of the company are classed as continuing

The notes on pages 9 to 13 form part of these financial statements



**C&C HITECH HOLDINGS LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

	<b>Period from 1 Jan 06 to 31 Mar 07 £</b>	<b>Year to 31 Dec 05 £</b>
(Loss)/Profit for the financial period attributable to the shareholders	<b>(61,627)</b>	5,127
Currency translation differences on foreign currency net investments	<u>—</u>	<u>(147,050)</u>
Total gains and losses recognised since the last annual report	<b><u>(61,627)</u></b>	<b><u>(141,923)</u></b>

The notes on pages 9 to 13 form part of these financial statements

# C&C HITECH HOLDINGS LIMITED

## BALANCE SHEET

31 MARCH 2007

	Note	31 Mar 07 £	31 Dec 05 £
<b>FIXED ASSETS</b>			
Investments	4	<u>6,594,675</u>	<u>6,400,759</u>
<b>CURRENT ASSETS</b>			
Debtors	5	3,798	400,712
Cash at bank		<u>33,033</u>	<u>25,125</u>
		<u>36,831</u>	<u>425,837</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>5,850</u>	<u>5,000</u>
<b>NET CURRENT ASSETS</b>		<u>30,981</u>	<u>420,837</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,625,656</u>	<u>6,821,596</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	7	<u>6,667,618</u>	<u>6,801,931</u>
		<u>(41,962)</u>	<u>19,665</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	9	1,000	1,000
Profit and loss account	10	<u>(42,962)</u>	<u>18,665</u>
<b>(DEFICIT)/SHAREHOLDERS' FUNDS</b>	11	<u>(41,962)</u>	<u>19,665</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 and authorised for issue on 23/4/08 , and are signed on their behalf by

  
B CHOUDHRIE

The notes on pages 9 to 13 form part of these financial statements

# **C&C HITECH HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

The accounts have been prepared on a going concern basis which is dependant upon the continuing support of other companies within the C&C Alpha group

#### **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.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### **2. OPERATING LOSS**

Operating loss is stated after charging/(crediting)

	<b>Period from 1 Jan 06 to 31 Mar 07 £</b>	<b>Year to 31 Dec 05 £</b>
Directors' emoluments	—	—
Auditor's fees	2,350	3,000
Net (profit)/loss on foreign currency translation	<u>(72,823)</u>	<u>25,549</u>

# C&C HITECH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007

#### 3. TAXATION ON ORDINARY ACTIVITIES

##### Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	Period from 1 Jan 06 to 31 Mar 07 £	Year to 31 Dec 05 £
(Loss)/profit on ordinary activities before taxation	<u>(61,627)</u>	<u>5,127</u>
(Loss)/profit on ordinary activities by rate of tax	(18,488)	1,538
Expenses not deductible for tax purposes	240	-
Tax Losses carried forward	<u>18,248</u>	<u>(1,538)</u>
Total current tax	<u>-</u>	<u>-</u>

#### 4. INVESTMENTS

	Shares in participating interest £	Quoted and unquoted shares £	Total £
<b>COST</b>			
At 1 January 2006 and 31 March 2007	<u>2,017,123</u>	<u>1,214,184</u>	<u>3,231,307</u>
Foreign exchange revaluations in Period ended 31 March 2007	<u>(18,209)</u>	<u>(80,039)</u>	<u>(98,248)</u>
<b>LOANS</b>			
At 1 January 2006	3,169,452	-	3,169,452
Advanced in period	335,862	-	335,862
Repaid in period	(18,718)	-	(18,718)
Foreign exchange revaluations in period	<u>(24,980)</u>	<u>-</u>	<u>(24,980)</u>
At 31 March 2007	<u>3,461,616</u>	<u>-</u>	<u>3,461,616</u>
<b>NET BOOK VALUE</b>			
At 31 March 2007	<u>5,460,530</u>	<u>1,134,145</u>	<u>6,594,675</u>
At 31 December 2005	<u>5,186,575</u>	<u>1,214,184</u>	<u>6,400,759</u>

**C&C HITECH HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

**4. INVESTMENTS *(continued)***

**Listed investments**

Listed investments having a net book value of £Nil (2005 - £638,812) are held by the company and had a market value of £Nil at the end of the period (2005 - £415,363)

The investments are listed on the Tel Aviv Stock Exchange

**Participating interests**

The company owns 50% of the issued share capital of AMST Holdings GmbH, a company registered in Austria

	31 Mar 07 £	31 Dec 05 £
<b>Aggregate capital and reserves</b>		
AMST Holdings GmbH	1,554,615	1,356,982
<b>Profit and (loss) for the year</b>		
AMST Holdings GmbH	220,657	85,690

The figures shown for AMST Holdings GmbH are taken from their accounts drawn up to 31 December 2006

**5. DEBTORS**

	31 Mar 07 £	31 Dec 05 £
Other debtors	<u>3,798</u>	<u>400,712</u>

Included in other debtors is an amount of nil (2005 - £151,402) due from Soil Net Limited, a company registered in Israel, in which C&C Hitech Holdings Limited has a passive investment

**6. CREDITORS: Amounts falling due within one year**

	31 Mar 07 £	31 Dec 05 £
Other creditors	<u>5,850</u>	<u>5,000</u>

# C&C HITECH HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007

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

	31 Mar 07	31 Dec 05
	£	£
Amounts owed to group undertakings	<u>6,667,618</u>	<u>6,801,931</u>

### 8. RELATED PARTY TRANSACTIONS

During the year under review, C&C Hitech Holdings Limited charged interest of nil (2005 - £6,486) 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.

During the year under review, C&C Hitech Holdings Limited charged interest of £8,378 (2005 - £6,053) on a loan to Soil Net Limited, a company of which they own 15% of the issued share capital.

During the year under review, C&C Hitech Holdings Limited has written off its loan to Soil Net Limited, an Israeli company, in which it owns 15% of the issued share capital.

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

The company has taken advantage of the exemption from reporting related party transactions between C&C Hitech Holdings Limited and other members of the C&C Business Solutions (formerly C&C Sons) group, conferred by Financial Reporting Standard No. 8, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company.

### 9. SHARE CAPITAL

#### Authorised share capital:

	31 Mar 07	31 Dec 05
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

#### Allotted, called up and fully paid:

	31 Mar 07		31 Dec 05	
	No	£	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

	Period from 1 Jan 06 to 31 Mar 07	Year to 31 Dec 05
	£	£
Balance brought forward	18,665	160,589
(Loss)/profit for the financial period	(61,627)	5,127
Foreign currency retranslation	—	(147,051)
Balance carried forward	<u>(42,962)</u>	<u>18,665</u>

# **C&C HITECH HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2006 TO 31 MARCH 2007**

### **11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>31 Mar 07</b>	<b>31 Dec 05</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial period	<b>(61,627)</b>	5,127
Foreign currency retranslation	<b>—</b>	(147,051)
Net reduction to shareholders' funds	<b>(61,627)</b>	(141,924)
Opening shareholders' funds	<b>19,665</b>	161,589
Closing shareholders' (deficit)/funds	<b>(41,962)</b>	19,665

### **12. POST BALANCE SHEET EVENTS**

On 1 April 2007, C&C Alpha Group Limited acquired 100% of the issued share capital of the company

### **13. 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

At the balance sheet date, the parent undertaking of the largest group for which group accounts including C&C Hitech Holdings Limited are drawn up is C&C Business Solutions Limited (formerly known as C&C Sons Limited), a company registered in England and Wales. Copies of the consolidated accounts are available from Companies House or from the registered office

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