

**HIGHCLEAR GROUP LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 MAY 2005



Company no 4908543

# **HIGHCLEAR GROUP LIMITED**

## **FINANCIAL STATEMENTS**

For the period ended 31 May 2005

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Company registration number: 4908543

Registered office: 145 Cannon Street  
London  
EC4N 5BQ

Directors: J P Flaherty  
M D Gosling  
C M Jap  
J Storey

Secretary: S T Kime

Auditors: Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
Grant Thornton House  
Melton Street  
Euston Square  
London  
NW1 2EP

# **HIGHCLEAR GROUP LIMITED**

## **FINANCIAL STATEMENTS**

For the period ended 31 May 2005

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# **HIGHCLEAR GROUP LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their first report together with the audited financial statements for the period ended 31 May 2005.

### **Principal activity**

The company's principal activity for the year was that of an investment holding company.

### **Business review**

There was a profit for the year after taxation amounting to £283,000 (2004: loss £75,000). The directors do not recommend the payment of a dividend.

### **Directors**

S Patel (resigned 25 October 2004)

M Patel (resigned 25 October 2004)

J Alflatt (resigned 25 October 2004)

J P Flaherty (appointed 25 October 2004)

M D Gosling (appointed 25 October 2004)

C M Jap (appointed 25 October 2004)

J Storey (appointed 25 October 2004)

### **Directors' responsibilities for the financial statements**

United Kingdom 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 the group and of the profit or loss of the group 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# HIGHCLEAR GROUP LIMITED

## REPORT OF THE DIRECTORS

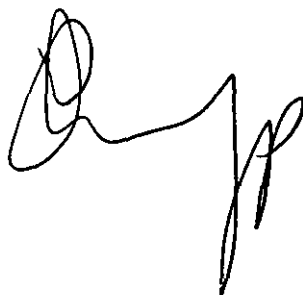
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### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

C M Jap  
Director  
27 September 2005

A handwritten signature in black ink, appearing to be 'C M Jap', written in a cursive style.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HIGHCLEAR GROUP LIMITED**

We have audited the financial statements of Highclear Group Limited for the period ended 31 May 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 9. These financial statements have been prepared under 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**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of 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.

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
HIGHCLEAR GROUP LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company as at 31 May 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON**

**21 SEPTEMBER 2005**

# **HIGHCLEAR GROUP LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. The principal accounting policies of the company are set out below.

### **INVESTMENTS**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.



**HIGHCLEAR GROUP LIMITED****PROFIT AND LOSS ACCOUNT**

For the period ended 31 May 2005

	Note	2005 £'000	2004 £'000
Turnover		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	-
Waiver of inter-company loan balances		754	-
<b>Operating profit</b>		754	-
Interest payable	1	(471)	(75)
<b>Profit/(loss) on ordinary activities before taxation</b>		283	(75)
Tax on profit/(loss) on ordinary activities	2	-	-
<b>Retained profit/(loss) for the period and carried forward</b>		283	(75)

All transactions arise from discontinued operations.

There were no recognised gains or losses other than the profit for the financial period.

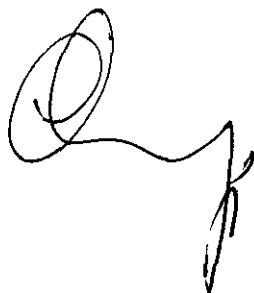
The accompanying accounting policies and notes form an integral part of these financial statements.

**HIGHCLEAR GROUP LIMITED****BALANCE SHEET AT 31 MAY 2005**

	Note	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Investments	3	<u>5,905</u>	<u>5,905</u>
<b>Creditors: amounts falling due within one year</b>	4	<u>(1,343)</u>	<u>(377)</u>
<b>Net current liabilities</b>		<u>(1,343)</u>	<u>(377)</u>
<b>Total assets less current liabilities</b>		<b>4,562</b>	<b>5,528</b>
<b>Creditors: amounts falling due after more than one year</b>	5	<u>(4,354)</u>	<u>(5,603)</u>
		<u><b>208</b></u>	<u><b>(75)</b></u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Profit and loss account		<u>208</u>	<u>(75)</u>
<b>Shareholders' funds</b>	7	<u><b>208</b></u>	<u><b>(75)</b></u>

The financial statements were approved by the Board of Directors on 27 September 2005.

**C M Jap - Director**



The accompanying accounting policies and notes form an integral part of these financial statements.

# HIGHCLEAR GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2005

### 1 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £'000	2004 £'000
Interest on unsecured loan notes	314	75
Bank interest on amounts due to group undertakings	157	-
	<u>471</u>	<u>75</u>

### 2 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the period and represents:

	2005 £'000	2004 £'000
United Kingdom corporation tax at 30% (2004: 30%)	-	459

The current tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom of 30% (2004: 30%). The differences are explained as follows:

	2005 £'000	2004 £'000
Profit/(loss) on ordinary activities before tax	<u>284</u>	<u>(75)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004: 30%)	85	(23)
Effect of:		
Expenses not deductible for tax purposes	(225)	-
Group relief	<u>140</u>	<u>23</u>
Current tax charge for period	<u>-</u>	<u>-</u>

### 3 FIXED ASSET INVESTMENTS

#### Company

	Shares in subsidiaries £'000
At 1 April 2004 and 31 May 2005	<u>5,905</u>

The company owned 100% of the issued share capital of the following companies

	Country of incorporation
Highclear Homes Limited	England and Wales
Clearminster Property Holdings Limited	Jersey
Keeproot Limited	England and Wales
Craftdream Limited	England and Wales
Gracechurch Homes Limited	England and Wales

# HIGHCLEAR GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 May 2005

### 4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Amounts owed to group undertakings	1,343	303
Accruals and deferred income	-	74
	<u>1,343</u>	<u>377</u>

### 5 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £'000	2004 £'000
Amount owed to group undertakings	4,354	750
Unsecured loan notes	-	4,853
	<u>4,354</u>	<u>5,603</u>

The unsecured loan notes were settled in October 2004.

### 6 SHARE CAPITAL

	2005 £	2004 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Profit/(loss) for the financial period	283	(75)
Shareholders' funds at 1 April 2004	<u>(75)</u>	-
Shareholders' funds at 31 May 2005	<u>208</u>	<u>(75)</u>

### 8 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company has taken advantage of the exemption in FRS 8 'Related party disclosures' and has not disclosed transactions with group undertakings. There were no other related party transactions.

### 9 ULTIMATE CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking of the company is Cannon Capital Ventures Limited. The financial statements of Cannon Capital Ventures Limited will be available from the registered office.