

**HARAS INVESTMENTS LIMITED**

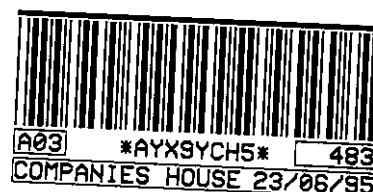
**Report and Financial Statements**

**30 September 1994**

**Touche Ross & Co.**

Leda House  
Station Road  
Cambridge CB1 2RN

( - 24/05/95)



**REPORT AND FINANCIAL STATEMENTS 1994**

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## **DIRECTOR'S REPORT**

The director presents his annual report and the audited financial statements for the period from 7 August 1993 to 30 September 1994.

### **ACTIVITIES**

The principal activities of the company have been the making and holding of investments. Since the period end there have been no changes in its activities.

### **REVIEW OF DEVELOPMENTS**

During the period the company has continued its principal activities.

At present, there are no plans to extend the scope of its operations.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The director does not recommend the declaration of a dividend. The profit for the period of £234,204 has been offset against losses brought forward.

The arrears of accumulated dividend attributable to the holders of the 7% preference shares of £1 each amounted to £1,078 at 30 September 1994.

### **DIRECTORS**

Mr A Horowitz resigned as the director of the company on 25 August 1994. Mr J H Williamson was appointed as the sole director on 25 August 1994.

Neither director at any time had any interest in the share capital of the company and Mr Horowitz had no interest in the share capital of Capeclyde Limited, the company's former parent company. Mr Williamson's interest in the share capital of Cadastra Limited, the present ultimate parent company of the group, is shown in the directors' report of that company.

### **STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is 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 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. He 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**

Touche Ross & Co. have expressed their willingness to continue in office as auditors.

Approved by the Director  
and signed on his behalf

**for CADAstra LIMITED**

  
**DIRECTOR/SECRETARY**

Secretary

5 June 1995

Leda House  
Station Road  
Cambridge CB1 2RN



## Chartered Accountants

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Cambridge CB1 2RN

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## HARAS INVESTMENTS LIMITED

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 7 which have been prepared under the accounting policies set out on page 5.

#### Respective responsibilities of the director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with 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.

#### Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosure made in note 10 concerning the continuing dependence of the company on the parent and fellow subsidiary companies' support. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from such support not continuing to be available. Our opinion is not qualified in this respect.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1994 and of its profit for the period from 7 August 1993 to 30 September 1994 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

20 June 1995


**PROFIT AND LOSS ACCOUNT**

Period from 7 August 1993 to 30 September 1994

	Note	Period 7 August 1993 to 30 September 1994 £	Year ended 6 August 1993 £
Tax supplement received		8,857	-
Bank interest receivable		4,006	-
Income from fixed asset investments		1,500	1,356
Write back of provisions for: doubtful debt investments		221,250	-
Loss on redemption of Treasury Stock		-	2
		-	(383)
Interest payable and similar charges	2	235,613 1,225	975 1,225
<b>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		234,388	(250)
Tax on profit (loss) on ordinary activities	3	184	-
<b>PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		234,204	(250)
Deficit brought forward at 7 August 1993		(972,430)	(972,180)
Deficit carried forward at 30 September 1994		(738,226)	(972,430)

All amounts in 1993 and 1994 derive from continuing operations.

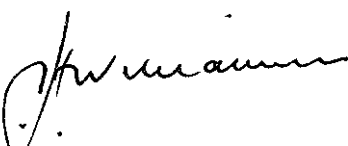
There are no recognised gains and losses other than shown in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses and no reconciliation of movements in shareholders' funds are given.

**BALANCE SHEET**  
**30 September 1994**

	Note	30 September 1994 £	6 August 1993 £
<b>FIXED ASSETS</b>			
Investments	7	14,277	9,277
<b>CURRENT ASSETS</b>			
Debtors :			
Tax recoverable		69	8,277
Other debtors		-	5,699
Cash at bank		226,521	-
		226,590	13,976
<b>CREDITORS: amounts falling due within one year</b>			
Amounts due to fellow subsidiary company	10	8,410	25,000
Accruals and deferred income		343	343
		8,753	25,343
<b>NET CURRENT ASSETS (LIABILITIES)</b>		217,837	(11,367)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		232,114	(2,090)
<b>CREDITORS: amounts falling due after more than one year</b>			
Amount due to parent company	10	(969,060)	(969,060)
		(736,946)	(971,150)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,280	1,280
Profit and loss account deficit		(738,226)	(972,430)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		(736,946)	(971,150)
Shareholders' funds are attributable to:			
Equity shareholders' funds		(738,151)	(972,355)
Non-equity shareholders' funds		1,205	1,205
		(736,946)	(971,150)

These financial statements were approved by the Director on

5 June 1995

  
Director



**NOTES TO THE ACCOUNTS**

**Period from 7 August 1993 to 30 September 1994**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Investments**

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

**2. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 7 August 1993 to 30 September 1994 £	Year ended 6 August 1993 £
Interest payable on loan from fellow subsidiary company	1,225	1,225

**3. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES**

	Period 7 August 1993 to 30 September 1994 £	Year ended 6 August 1993 £
Tax recoverable now written off	184	-

The company has unutilised management expenses of £929,846 (1993 - £916,430) for corporation tax purposes, subject to agreement with the Inland Revenue, which are available to be carried forward and set against future profits, and agreed capital losses of £6,026,022.

**4. DIRECTORS' REMUNERATION**

Neither director who served during the period and the previous period received any remuneration. They were the only employees of the company.

**5. AUDIT FEE**

No provision for audit fee has been included in these accounts as the liability is borne by the ultimate parent company.


**NOTES TO THE ACCOUNTS**

Period from 7 August 1993 to 30 September 1994

**6. DIVIDENDS**

	Period 7 August 1993 to 30 September 1994 £	Year ended 6 August 1993 £
Accumulated and unpaid dividends on the 7% preference shares	<u>1,078</u>	<u>1,001</u>

**7. FIXED ASSET INVESTMENTS - LISTED ON A RECOGNISED INVESTMENT EXCHANGE**

Gilt edged stocks		£
Cost and net book value		
At 7 August 1993		9,277
Acquired during period		<u>5,000</u>
At 30 September 1994		<u>14,277</u>
	30 September 1994 £	6 August 1993 £
Market value	<u>15,537</u>	<u>12,238</u>

**8. CALLED UP SHARE CAPITAL**

	30 September 1994 £	6 August 1993 £
<b>Authorised</b>		
40 ordinary shares of £1 each	40	40
60 non-voting 'A' ordinary shares of £1 each	60	60
50 participating preference shares of £1 each	50	50
1,100 7% preference shares of £1 each	1,100	1,100
75 preferred preference shares of £1 each	<u>75</u>	<u>75</u>
	<u>1,325</u>	<u>1,325</u>
<b>Called up, allotted and fully paid</b>		
15 ordinary shares of £1 each	15	15
60 non-voting 'A' ordinary shares of £1 each	60	60
30 participating preference shares of £1 each	30	30
1,100 7% preference shares of £1 each	1,100	1,100
75 preferred preference shares of £1 each	<u>75</u>	<u>75</u>
	<u>1,280</u>	<u>1,280</u>



**NOTES TO THE ACCOUNTS**

**Period from 7 August 1993 to 30 September 1994**

**8. CALLED UP SHARE CAPITAL (continued)**

The preference shares shall rank in priority to the ordinary shares as regards Capital as well as Dividend, but shall not carry any further right to participate in the profits or assets of the company. The holders of the preference shares do not have the right to attend or vote at any General Meeting unless the meeting is convened for reducing the Capital or winding up, or sanctioning a sale or amalgamation of the company or where the proposal to be submitted to the Meeting directly affects the rights and privileges of the holders of the shares.

**9. ULTIMATE PARENT COMPANY**

The ultimate parent company is Cadastra Limited, which is registered in England and Wales. Copies of the group financial statements of Cadastra Limited are available from Leda House, Station Road, Cambridge.

**10. AMOUNTS OWED TO GROUP COMPANIES**

The parent and fellow subsidiary companies have undertaken not to demand repayment of the amounts due for a period of at least 12 months, and accordingly the company continues as a going concern.