

HAL Investments (UK) Limited
(Registered Number 2624605)

Annual Report

For the Year Ended 31 December 2005



HAL Investments (UK) Limited

Annual Report for the Year Ended 31 December 2005

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HAL Investments (UK) Limited

Directors' Report for the Year Ended 31 December 2005

The directors submit their report and the audited financial statements for the year ended 31 December 2005.

Principal activities and business review

The principal activity of the company is that of an investment holding company.

Results and dividends

The loss for the financial year amounted to £6,992 (2004 loss: £8,465) and this has been added to the accumulated deficit. The directors do not recommend the payment of a dividend.

Directors

The following served as directors of the company during the period:

P M Manheim	(resigned 16 June 2006)
M van der Vorm	
AA van 't Hof	(appointed 16 June 2006)

The directors have no interest in the shares of the company.

Statement of Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company 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 record, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

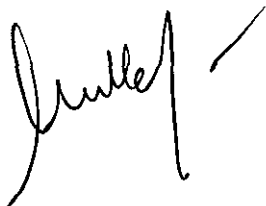
HAL Investments (UK) Limited

Directors' Report for the Year Ended 31 December 2005 (Continued)

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to be 'J. Miller', with a long horizontal stroke extending to the right.

Secretary

Independent Auditors' Report to the Members of HAL Investments (UK) Limited

We have audited the Financial Statements of HAL Investments (UK) Limited for the year ended 31 December 2005 which comprise the Company profit and loss account, the balance sheet and the related notes. These accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 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 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.

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 December 2005 and of the loss of the Company for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

5 January 2007

HAL Investments (UK) Limited

Profit and Loss Account for the Year Ended 31 December 2005

	Note	2005 £	2004 £
Investment income	2	500	675
Administrative expenses		(7,492)	(9,140)
Loss on ordinary activities before taxation	3	(6,992)	(8,465)
Taxation	4	-	-
Deficit for the financial year	9	(6,992)	(8,465)

The profit and loss account relates solely to continuing operations, as defined in Financial Reporting Standard No 3.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the deficit for the year stated above and their historical cost equivalents.

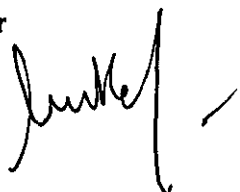
HAL Investments (UK) Limited

Balance Sheet as at 31 December 2005

	Note	2005 £	2004 £
Fixed assets			
Investments	5	10,000	10,000
Current assets			
Debtors	6	897,289	897,289
Cash at bank and in hand		438	179
		897,727	897,468
Creditors - amounts falling due within one year	7	(23,286)	(16,035)
Net current assets		874,441	881,433
Total assets less current liabilities		884,441	891,433
Creditors - amounts falling due after more than one year	7	(3,000,000)	(3,000,000)
Net liabilities		(2,115,559)	(2,108,567)
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(2,115,659)	(2,108,667)
Equity shareholders' deficit	10	(2,115,559)	(2,108,567)

The financial statements on pages 4 to 9 were approved by the Board of Directors on
5 January 2007 and were signed on its behalf by:

Director



HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2005

1 Principal accounting policies

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable Accounting Standards.

The directors have reviewed the company's accounting policies and consider that they are consistent with the requirements of Financial Reporting Standard 18 "Accounting Policies".

The Company has adopted FRS 21, 'Events after the balance sheet date', FRS 25, 'Financial instruments: disclosure and presentation', and FRS 28 'Corresponding amounts' in these financial statements. The adoption of these standards represents a change in accounting policy. However, there was no impact in 2005 or in 2004 following these changes in accounting policy.

(1) Cash flow statement

The company is not required to prepare a cash flow statement in accordance with FRS 1 (Revised) as it qualifies as a small company within the definition of Section 249 of the Companies Act 1985.

(2) Going concern

The financial statements have been prepared on a going concern basis which assumes the continued financial support of the ultimate holding company.

HAL Holding NV has confirmed in a letter dated 14 June 2006 that it will, until further notice, continue to provide the company with sufficient funds to meet all of its obligations as and when they fall due.

If the financial statements were not prepared on a going concern basis it is unlikely that this would result in any material adjustments.

(3) Investment income

Dividend and interest income is included in the profit and loss account on a received basis.

(4) Fixed asset investments

Fixed asset investments are carried at original cost, less any provisions for permanent impairment in value as they are held to maturity. Any premium arising on acquisition is written off in full in the year of purchase.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2005

1 Principal accounting policies (Continued)

(5) Foreign currencies

Balances in foreign currencies are translated into sterling at rates prevailing at the balance sheet date.

Revenue and expense items are translated at the rates at the time of the transactions.

(6) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Investment income

	2005 £	2004 £
Interest – Treasury stock	500	675

3 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the remuneration paid to the auditors and premium on acquisition of fixed asset investments:

	2005 £	2004 £
Auditors remuneration:		
For audit services	1,291	2,436
For other services	6,000	6,000
	7,291	8,436

The company has no employees and no remuneration was paid to the directors.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2005

4 Taxation

	2005 £	2004 £
Tax attributable to Treasury stock income	-	-
Income tax recoverable	-	-
	-	-

As at 31 December 2005 the company had accumulated tax losses (both trading and capital losses) estimated at £2,319,233 (2003: £2,312,241) which are available for offset as appropriate against future taxable trading profits and chargeable gains.

5 Fixed asset investments

	£
Cost	
At 1 January 2005	10,000
At 31 December 2005	<u>10,000</u>

Investments represent comprising £10,000 5.00% Treasury 2012 stock.

6 Debtors

	2005 £	2004 £
Amounts falling due within one year:		
Amounts due from the ultimate holding company	<u>897,289</u>	<u>897,289</u>

7 Creditors

	2005 £	2004 £
Amounts falling due within one year:		
Bank overdrafts	-	-
Amounts due to fellow group subsidiary undertakings	14,733	3,000
Accruals	8,553	13,035
	<u>23,286</u>	<u>16,035</u>
Amounts falling due after more than one year:		
Loan from the ultimate parent company	<u>3,000,000</u>	<u>3,000,000</u>

There are no repayment terms, security or interest in respect of the loan from the ultimate parent company.

HAL Investments (UK) Limited

Notes to the Financial Statements – 31 December 2005

8 Called up share capital

	2005 £	2004 £
Authorised 100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid 100 ordinary shares of £1 each	100	100

9 Profit and loss account

	Accumulated Deficit £
At 1 January 2004	2,108,667
Deficit for the financial year	6,992
At 31 December 2004	2,115,659

10 Reconciliation of movements in equity shareholders' deficit

	2005 £	2004 £
Opening shareholders' deficit	2,108,567	2,100,102
Deficit for the financial year	6,992	8,465
Closing shareholders' deficit	2,115,559	2,108,567

11 Ultimate holding company

The ultimate holding company is HAL Holding NV, a company incorporated in the Netherlands Antilles and the ultimate controlling party is HAL Trust.

12 Related party transactions

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 "Related Party Disclosures" as 90 per cent or more of its voting rights are controlled by HAL Holding NV, which itself prepares publicly available consolidated financial statements that include HAL Investments (UK) Limited. Copies of these consolidated accounts can be obtained from the office of HAL Holding NV at 4 Avenue de la Costa, MC 98000, Monaco.