

THE CELEBRATED GROUP LIMITED
(formerly Elegant Leisure Limited)

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE CELEBRATED GROUP LIMITED
(FORMERLY ELEGANT LEISURE LIMITED)**

We have audited the balance sheet and related notes on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

Company law requires the directors to prepare balance sheets which give a true and fair view of the state of affairs of the company. In preparing the balance sheet, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the balance sheet on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the balance sheet complies 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.

It is our responsibility to form an independent opinion, based on our audit 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. It also includes an assessment of the significant estimates and judgments made by the directors, 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 balance sheet is 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 balance sheet.



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AUDITOR'S REPORT (Cont...)

Opinion

In our opinion the balance sheet gives a true and fair view of the state of the company's affairs at 26 March 1995 and has been properly prepared in accordance with the Companies Act 1985.

Robson Rhodes

Robson Rhodes
Chartered Accountants and Registered Auditor
Hemel Hempstead
20 September 1995