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Company Registration No 3123072 (England and Wales)

**CAPION HOLDINGS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**



# CAPION HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	A Buhrer
<b>Secretary</b>	Accomplish Secretaries Limited
<b>Company number</b>	3123072
<b>Registered office</b>	18 South Street Mayfair London W1K 1DG
<b>Auditors</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

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# CAPION HOLDINGS LIMITED

## CONTENTS

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	<b>Page</b>
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

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# CAPION HOLDINGS LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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The director presents his report and financial statements for the year ended 31 December 2006

### Principal activities

The principal activity of the company continued to be that of an investment holding company

### Director

The following director has held office since 1 January 2006

A Buhrer

### Director's interests

The director's interest in the shares of the company was as stated below

	Ordinary shares of £1 each	
	31 December 2006	1 January 2006
A Buhrer	-	-

Mr A Buhrer's wife and children are discretionary beneficiaries of the Colibri Settlement, a Jersey discretionary trust, which is the ultimate controlling party of Capion Holdings Limited

### Auditors

With effect from 16 April 2007, MRI Moores Rowland LLP merged its business with that of Mazars LLP, following which MRI Moores Rowland LLP have resigned as auditors to the company. The directors have appointed Mazars LLP to fill the casual vacancy caused by their resignation and, in accordance with sections 385 of the Companies Act 1985, a resolution to reappoint Mazars LLP will be put to the Annual General Meeting

### Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 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 enable him to ensure that the financial statements comply with the Companies Act 1985. 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

# CAPION HOLDINGS LIMITED

## DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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### Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risks liquidity risk and interest rate risk

The company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instrument to manage interest rate costs, and as such, no hedge accounting is applied

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board

### *Credit risk*

The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board

### *Liquidity risk*

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions

### *Interest rate cash flow risk*

The company has a policy of maintaining debt at a fixed rate to ensure the certainty of future cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

### Statement of disclosure to auditors

The director confirms that

- (a) there is no relevant audit information of which the Company's auditors are unaware, and
- (b) the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board



A Buhrer  
Director

28/2/07

# **CAPION HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF CAPION HOLDINGS LIMITED**

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We have audited the financial statements of Capion Holdings Limited for the year ended 31 December 2006 set out on pages 5 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 director and auditors**

As described in the Statement of Director's Responsibilities on page 1, 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).

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, and whether in our opinion the information given in the director's report is consistent with the financial statements. We also 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 director's remuneration and other 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.

# CAPION HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF CAPION HOLDINGS LIMITED

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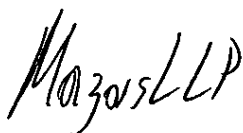
#### Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

#### Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to continue as a going concern. Details of the circumstances relating to this uncertainty are described in note 1 to the financial statements. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.



Mazars LLP

13 March 2008

Chartered Accountants  
Registered Auditor

Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

# CAPION HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2006**

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		2006 £	2005 £
	Notes		
Turnover		119,287	117,576
Administrative expenses		(440,100)	(179,834)
		<hr/>	<hr/>
Operating loss	2	(320,813)	(62,258)
Interest payable and similar charges		(40)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(320,853)	(62,258)
Tax on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss for the year	8	(320,853)	(62,258)
		<hr/> <hr/>	<hr/> <hr/>



# CAPION HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Investments	4		987,665		1,013,730
<b>Current assets</b>					
Debtors	5	5,097,442		5,316,226	
Cash at bank and in hand		8,078		29,707	
		<u>5,105,520</u>		<u>5,345,933</u>	
<b>Creditors' amounts falling due within one year</b>	6	<u>(6,730,720)</u>		<u>(6,676,345)</u>	
<b>Net current liabilities</b>			<u>(1,625,200)</u>		<u>(1,330,412)</u>
<b>Total assets less current liabilities</b>			<u>(637,535)</u>		<u>(316,682)</u>
<b>Capital and reserves</b>					
Called up share capital	7		1,000		1,000
Profit and loss account	8		<u>(638,535)</u>		<u>(317,682)</u>
<b>Shareholders' funds</b>			<u>(637,535)</u>		<u>(316,682)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 28 February 2008



A Buhrer  
Director

# CAPION HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value

#### 1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.5 Consolidation

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

#### 1.6 Going concern

The financial statements have been prepared on the going concern basis. This is considered appropriate as the shareholders have agreed to continue to provide financial support to the company for the foreseeable future. Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets as current assets.

### 2 Operating loss

	2006	2005
	£	£
Operating loss is stated after charging		
Auditors' remuneration	6,110	10,000
Director's emoluments	48,000	47,997
Loss on foreign exchange	150,662	8,894
	<u>          </u>	<u>          </u>

### 3 Taxation

	2006	2005
	£	£
Domestic current year tax		
U K corporation tax	-	-
	<u>          </u>	<u>          </u>
Current tax charge	-	-
	<u>          </u>	<u>          </u>

# CAPION HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

### 4 Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2006	1,013,730
Exchange differences	(26,065)
	<u>987,665</u>
At 31 December 2006	<u>987,665</u>
<b>Net book value</b>	
At 31 December 2006	<u>987,665</u>
At 31 December 2005	<u>1,013,730</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
SCA de Château Capion	France	Ordinary	99 00
SCEA Domaine de Capion	France	Ordinary	99 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves 2006 €	Profit for the year 2006 €
SCA de Château Capion	(1,725,962)	(609,492)
SCEA Domaine de Capion	-	(152,437)
	<u>          </u>	<u>          </u>

### 5 Debtors

	2006 £	2005 £
Amounts owed by group undertakings	5,084,280	5,303,064
Other debtors	13,162	13,162
	<u>5,097,442</u>	<u>5,316,226</u>

# CAPION HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6	Creditors' amounts falling due within one year	2006 £	2005 £
	Bank loans and overdrafts	1,543	-
	Other creditors	6,729,177	6,676,345
		<u>6,730,720</u>	<u>6,676,345</u>

Included in other creditors is an amount owed to A Buhner of £56,350 (2005 £56,350)

The loan amounting to £6,642,024 (2005 £6,603,588) included in other creditors is secured on the assets of the company and by an unrelated third party guarantee

7	Share capital	2006 £	2005 £
	<b>Authorised</b>		
	10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	<b>Allotted, called up and fully paid</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2006	(317,682)
	Loss for the year	<u>(320,853)</u>
	Balance at 31 December 2006	<u>(638,535)</u>

## 9 Control

The ultimate controlling party is the Colibri Settlement, a Jersey discretionary trust. Mr A Buhner's wife and children are discretionary beneficiaries of the trust.

# **CAPION HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2006**

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### **10 Related party transactions**

At 31 December 2006, a loan account balance of £3,110,643 (2005 - £2,021,630) was due from SCA de Château Capion, a 99% owned subsidiary. The movement on the loan was for funding purposes, and is partly a result of the foreign exchange translation at the year-end rate.

At 31 December 2006, a loan account balance of £1,973,637 (2005 - £3,281,434) was due from SCEA Domaine de Capion, a 99.65% owned subsidiary. The movement on the loan was for funding purposes, and is partly a result of the foreign exchange translation at the year-end rate.