

Company Number (England and Wales) - 3123072

Capion Holdings Limited.

Financial Statements

For the 14 Month Period Ended 31 December 2003

Ref: 30453-02

Registered Office
3 Sheldon Square
London
W2 6PS



LD2
COMPANIES HOUSE

LUHX92U2

0464
17/02/05

Capion Holdings Limited

Financial Statements

For the Period Ended 31 December 2003

Index

Pages

Index	1
Director's report	2
Report of the independent auditors	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 10

Caption Holdings Limited

Director's Report

The director submits his report and the audited financial statements for the period ended 31 December 2003.

Principal activities

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

Change of year-end

The year-end of the company has been changed to 31 December to reflect the restructuring of the activities of the subsidiaries.

Director and secretary

The sole director who served during the year was:-

A Bühner

The director had no beneficial interest in the share capital of the company as defined by the Companies Act 1985.

The company secretary who served during the year was CHT Secretaries Limited.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The director 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.

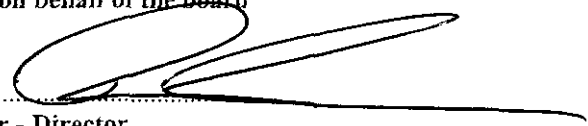
Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that MRI Moores Rowland LLP be re-appointed as auditor of the company will be put to the Annual General Meeting.

Small company exemptions

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

For and on behalf of the board


A Bühner - Director

11-02-05
Date:

Capion Holdings Limited

Independent Auditor's Report to the Members

We have audited the financial statements of Capion Holdings Limited on pages 4 to 10 for the period ended 31 December 2003. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out in note 1.

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 auditor's 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

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on page 2.

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 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 with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Director's Report. 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.

Going concern

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 fundamental uncertainty are described in note 1 to the financial statements. 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 31 December 2003 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MRI Moores Rowland LLP
Chartered Accountants
Registered Auditors
London

Date 15/2/05

Capion Holdings Limited

Profit and Loss Account

For the Period Ended 31 December 2003

	Notes	14 months ended 31 December 2003 £	Year ended 31 October 2002 £
Other income		52,250	-
Administrative expenses		(104,424)	(23,147)
Operating loss	2	(52,174)	(23,147)
Bank interest received		30	-
Bank interest paid		(11)	-
Loss on ordinary activities before taxation		(52,155)	(23,147)
Tax on loss on ordinary activities	3	3,535	-
Loss on ordinary activities after taxation	8	(55,690)	(23,147)

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 6 to 10 form an integral part of these financial statements.

Caption Holdings Limited

Balance Sheet

As at 31 December 2003

	Notes	31 December 2003 £	31 October 2002 £
Fixed assets			
Investments	4	1,039,957	930,287
Current assets			
Debtors	5	4,756,021	1,553,598
Cash at bank and in hand		33,193	1,333
		<u>4,789,214</u>	<u>1,554,931</u>
Creditors: Amounts falling due within one year	6	(6,047,540)	(2,647,897)
Net current liabilities		<u>(1,258,326)</u>	<u>(1,092,966)</u>
Total assets less current liabilities		<u>(218,369)</u>	<u>(162,679)</u>
Capital and reserves			
Called-up share capital	7	1,000	1,000
Profit and loss account	8	(219,369)	(163,679)
Shareholders' funds – equity interests		<u>(218,369)</u>	<u>(162,679)</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 June 2002).

The financial statements were approved by the board on 11. 02 - 05



A Bühner - Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Caption Holdings Limited

Notes to the Financial Statements

For the Period Ended 31 December 2003

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Investments

Investments held as fixed assets are stated at cost less any impairment in value.

Foreign currencies

Transactions in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. Assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

Consolidation

The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts, as the group qualifies as a small sized group.

As such, the accounts present information about the company as an individual undertaking and not about its group.

Going concern

The accounts have been prepared on the going concern basis. This basis may not be appropriate as the company incurred losses of £55,690 (2002: £23,147), and has net liabilities of £218,369 (2002: £162,679). The director is of the opinion that this is appropriate as the company's ultimate controlling party has confirmed its willingness to continue to provide sufficient support to enable the company to meet its obligations as they fall due.

If the company was unable to continue trading for the foreseeable future, adjustments may have to be made to reduce the balance sheet values to their recoverable amounts, and to provide for further liabilities that may arise, and to re-classify fixed assets as current assets.

Capion Holdings Limited
Notes to the Financial Statements
For the Period Ended 31 December 2003

2. Operating loss

Operating loss is stated after charging:-

	14 months ended 31 December 2003 £	Year ended 31 October 2002 £
Auditors' remuneration	23,006 <u> </u>	7,199 <u> </u>

3. Taxation

	14 months ended 31 December 2003 £	Year ended 31 October 2002 £
Current year charge – corporation tax at 30%	-	-
Adjustment to prior period	3,535 <u> </u>	- <u> </u>
	3,535 <u> </u>	- <u> </u>

As at 31 December 2003 the company has excess management expenses carried forward, to offset against future profits, of £29,115 (2002 - £6,076).

Capion Holdings Limited

Notes to the Financial Statements

For the Period Ended 31 December 2003

4. Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 November 2002 & 31 December 2003	955,435
	<u>=====</u>
Exchange differences	
At 1 November 2002	(25,148)
Arising in the period	109,670
	<u>-----</u>
At 31 December 2003	84,522
	<u>=====</u>
At 31 December 2003	1,039,957
	<u>=====</u>
At 31 October 2002	930,287
	<u>=====</u>

The company's investment in its subsidiary undertakings represents the cost of acquisition of 99% of the ordinary share capital of SCEA Domaine de Capion and 99.65% of the ordinary share capital of SCA Domaine de Capion. All subsidiary undertakings are incorporated in France.

	Aggregate share capital and reserves EUR	Profit/(loss) EUR
At 31 December 2003		
SCEA Domaine de Capion	162,432	350,127
	<u>=====</u>	<u>=====</u>
At 31 December 2003		
SCA Domaine de Capion	(128,170)	(387,334)
	<u>=====</u>	<u>=====</u>

5. Debtors

	31 December 2003 £	31 October 2002 £
Amounts owed by subsidiary undertakings	4,755,813	1,553,390
Other debtors	208	208
	<u>-----</u>	<u>-----</u>
	4,756,021	1,553,598
	<u>=====</u>	<u>=====</u>

Caption Holdings Limited
Notes to the Financial Statements
For the Period Ended 31 December 2003

6. Creditors: Amounts falling due within one year

	31 December 2003 £	31 October 2002 £
Corporation tax	-	2,739
Other creditors	6,047,540	2,645,158
	<u>6,047,540</u>	<u>2,647,897</u>

Included in other creditors are amounts owed to A Bühler of £56,350 (2002 - £Nil).

7. Called-up share capital

	31 December 2003 £	31 October 2002 £
Ordinary shares of £1 each:		
Authorised	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

8. Statement of movement on profit and loss account

	Profit and loss account £
Balance at 1 November 2002	(163,679)
Retained loss for the period	(55,690)
	<u>(219,369)</u>
Balance at 31 December 2003	<u>(219,369)</u>

9. Directors' emoluments

	14 months ended 31 December 2003 £	Year ended 31 October 2002 £
Emoluments for qualifying services	12,000	-
	<u>12,000</u>	<u>-</u>

Capion Holdings Limited

Notes to the Financial Statements

For the Period Ended 31 December 2003

10. Ultimate controlling party

The ultimate controlling party is the Colibri Settlement, a Jersey discretionary trust.

11. Related party transactions

At 31 December 2003, a loan account balance of £1,942,078 (2002 - £1,535,390) was due from SCEA Domaine de 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 2003, a loan account balance of £2,813,735 (2002 - £Nil) was due from SCA 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.