

Co's House

Company Number
3123072

Caption Holdings Limited
Financial Statements
For the Year Ended 30 June 1998



Ref 13217-98

Registered Office
Bell House
175 Regent Street
London
W1R 7FB

Capion Holdings Limited
Financial Statements
For the Year Ended 30 June 1998

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Caption Holdings Limited

Directors' Report

The directors submit their report and the audited financial statements for the year ended, 30 June 1998.

Principal activities

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

Directors and secretary

The directors who served during the year were:-

	<u>Appointed</u>	<u>Resigned</u>
A Buhner	08.11.98	-
M W Denton	-	20.08.97
J Butterfield	20.08.97	08.11.98
F Parsons	20.08.97	22.07.98
F M Forrai	20.08.97	08.11.98

The directors 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 Sceptre Consultants Limited.

Directors' responsibilities

Company law requires the directors 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 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.

Caption Holdings Limited

Directors' Report

Directors' responsibilities (continued)

The directors are 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. 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.

Auditors

Following their admission as the United Kingdom representatives of Moores Rowland International, our auditors have changed their name to MRI Moores Rowland with effect from 1 May 1999. MRI Moores Rowland have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at 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 Buhrer - Director

4 September 2000

Date:

Capion Holdings Limited

Report of the Auditors to the Members

We have audited the financial statements on pages 5 to 10, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, the company's directors are responsible for the preparation of the 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, except that the scope of our work was limited as explained below.

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. However, the evidence available to us was limited because we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the following:

- recoverability of a balance of £736,082 (FF 7,441,867) recorded in debtors as due from SCEA Domaine de Capion,
- the aggregate capital and reserves of SCA Domaine de Capion.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to determine the recoverability of the amount due from SCEA Domaine de Capion and the aggregate capital and reserves of SCA Domaine de Capion, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the recoverability of the amount due from SCEA Domaine de Capion and the aggregate capital and reserves of SCA Domaine de Capion:

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

MRI Moores Rowland

MRI Moores Rowland
Date: ...8-9-2000

MRI Moores Rowland
Registered Auditors
Chartered Accountants
Mitre House
177 Regent Street
London W1R 8BB

Caption Holdings Limited

Profit and Loss Account

For the Year Ended 30 June 1998

	Notes	1998 £	1997 £
Administrative expenses		(22,788)	352
		-----	-----
Operating (loss)/profit	2	(22,788)	352
		-----	-----
(Loss)/profit on ordinary activities before taxation		(22,788)	352
Taxation	3	(10,375)	-
		-----	-----
(Loss)/profit on ordinary activities after taxation and retained for the year		(33,163)	352
Retained loss brought forward		(4,520)	(4,872)
		-----	-----
Retained loss carried forward		(37,683)	(4,520)
		=====	=====

Continuing operations

None of the company's activities were acquired or discontinued during the above period.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above period.

The notes on pages 7 to 10 form an integral part of these financial statements.

Caption Holdings Limited

Balance Sheet

As at 30 June 1998

	Notes	1998 £	1997 £
Fixed assets			
Investments	4	960,282	993,609
		-----	-----
Current assets			
Debtors	5	736,964	673,780
Cash at bank and in hand		1,168	1,577
		-----	-----
		738,132	675,357
Creditors: Amounts falling due within one year	6	(1,735,097)	(1,672,486)
		-----	-----
Net current (liabilities)		(996,965)	(997,129)
		-----	-----
Net liabilities		(36,683)	(3,520)
		=====	=====
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		(37,683)	(4,520)
		-----	-----
Shareholders' funds - equity interests	8	(36,683)	(3,520)
		=====	=====

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 4 September 2000



A Buhrer - Director

The notes on pages 7 to 10 form an integral part of these financial statements.

Caption Holdings Limited

Notes to the Financial Statements

For the Year Ended 30 June 1998

1. Accounting policies

Accounting convention

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

Investments

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

Foreign currencies

Transactions in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. Current 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.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

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 qualified as a medium sized group.

2. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):-

	1998	1997
	£	£
Auditors' remuneration	5,285	588
Loss/(gain) on foreign exchange	7,541	(3,892)
	=====	=====

No remuneration was paid to the directors during the year.

Capion Holdings Limited

Notes to the Financial Statements

For the Year Ended 30 June 1998

3. Taxation

	1998 £	1997 £
Current year charge – corporation tax at 21%	1,150	-
Underprovided in previous periods	5,878	-
Interest and penalties	3,347	-
	-----	-----
	10,375	-
	=====	=====

4. Fixed asset investments

	Shares in Subsidiary Undertakings £
Cost	
At 1 July 1997	993,609
Exchange differences	(33,327)
Additions	-

At 30 June 1998	960,282
	=====

The company's investment in its subsidiary undertakings represents the cost of acquisition of 99% of share capital of SCEA Domaine de Capion, 99.65% of the share capital of SCA Domaine de Capion and 98% of the ordinary share capital of SARL Capion. All subsidiary undertakings were incorporated in France.

At 31 October 1998

	Aggregate share capital and reserves FFR	Profit/(loss) FFR
SARL Domaine de Capion	29,364	(3,731)
SCEA Domaine de Capion	375,782	(622,686)
SCA Domaine de Capion	-	-
	=====	=====

In respect to SCA Domaine de Capion, no financial statements as at the above date have been provided and consequently no disclosure can be made in respect to the aggregate share capital and reserves and profit or loss of that company.

Caption Holdings Limited

Notes to the Financial Statements

For the Year Ended 30 June 1998

5. Debtors

	1998 £	1997 £
Amounts owed by subsidiary undertakings	736,082	673,046
Other debtors	882	734
	<u>736,964</u>	<u>673,780</u>

6. Creditors: Amounts falling due within one year

	1998 £	1997 £
Amount due to ultimate parent company	1,709,027	1,663,339
Corporation tax	10,375	-
Other creditors	15,695	9,147
	<u>1,735,097</u>	<u>1,672,486</u>

7. Ordinary shares of £1 each:

	1998 £	1997 £
Authorised	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid	<u>1,000</u>	<u>1,000</u>

8. Reconciliation of movements in shareholder's funds

	1998 £	1997 £
Opening shareholder's funds	(3,520)	(3,872)
(Loss)/profit for the financial period	(33,163)	352
	<u>(36,683)</u>	<u>(3,520)</u>

Capion Holdings Limited
Notes to the Financial Statements
For the Year Ended 30 June 1998

9. Capital commitments

There were no major capital commitments at the balance sheet date.

10. Contingent liabilities

There were no major contingent liabilities at the balance sheet date.

11. Ultimate controlling party

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

12. Related party transactions

At 30 June 1998 a loan account balance of £736,082 (1997 - £673,046) was due from SCEA Domaine de Capion.

At 30 June 1998 a balance of £1,709,027 (1997 - £1,663,339) was due to the ultimate controlling party.