

Co's House
Company Number 3123072 2

Caption Holdings Limited

Financial Statements

For the Period Ended 30th June 1996

Ref 13217-96

Registered Office
Bell House
175 Regent Street
London
W1R 7FB



Capion Holdings Limited

Financial Statements

For the Period Ended 30th June 1996

Index

	<u>Pages</u>
Index	1
Directors' report	2 - 3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9

Caption Holdings Limited

Directors' Report

The directors submit their report and the audited financial statements for the period ended, 30th June 1996.

Principal activities

The company was incorporated on 7th November 1995 in England and Wales and acquired its first investment on 12 March 1996.

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

Directors and secretary

The directors who served during the period were:-

	<u>Appointed</u>	<u>Resigned</u>
A Buhner	08.11.98	-
J R Beardsley	07.11.95	13.12.96
M W Denton	07.11.95	19.09.97
J Butterfield	19.09.97	08.11.98
F Parsons	19.09.97	22.07.98
F M Forrai	19.09.97	08.11.98

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

The company secretary who served during the period 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.

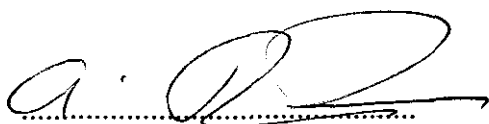
Auditors

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, who were appointed first auditors during the period, 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 handwritten signature in dark ink, appearing to be 'A. Buhrer', written over a dotted line.

A Buhrer - Director

Date: 4/10/99

Capion Holdings Limited

Report of the Auditors to the Members

We have audited the financial statements on pages 5 to 9, 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 £556,263 (FF 4,449,600) recorded in debtors as due from a subsidiary undertaking,
- confirmation that the company is a shareholder in SCEA du Domaine de Capion and SCA Domaine de Capion, both incorporated in France; and
- the value of the investments in the two companies as mentioned above.

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 obtain sufficient evidence concerning amounts due from a subsidiary undertaking, the existence of the company's investments and the value attributed to these investments, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its loss for the period 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 amounts due from subsidiary undertakings and the existence and value of the investments:

- 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
2

MRI Moores Rowland

Date: 6 October 1999

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

Caption Holdings Limited

Profit and Loss Account

For the Period Ended 30th June 1996

	Notes	1996 £
Administrative expenses		(4,872) -----
Operating (loss)	2	(4,872) -----
(Loss) on ordinary activities before taxation		(4,872)
Taxation	3	- -----
(Loss) on ordinary activities after taxation		(4,872) -----
Retained (loss) for the financial period		(4,872) -----
Retained (loss) carried forward		£ (4,872) =====

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 9 form an integral part of these financial statements.

Capion Holdings Limited

Balance Sheet

As at 30th June 1996

	Notes	1996 £
Fixed assets		
Investments	4	1,207,580

Current assets		
Debtors	5	556,753
Cash in hand		1,000

		557,753
Creditors: Amounts falling due within one year	6	(1,769,205)

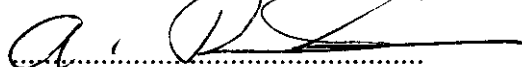
Net current (liabilities)		(1,211,452)

Net liabilities		£ (3,872)
		=====
Capital and reserves		
Called up share capital	7	1,000
Profit and loss account		(4,872)

Shareholders' funds - equity interests	8	£ (3,872)
		=====

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 4/10/99



A Buhrer - Director

The notes on pages 7 to 9 form an integral part of these financial statements.

Capion Holdings Limited

Notes to the Financial Statements

For the Period Ended 30th June 1996

1. **Accounting policies**

a. Accounting convention

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

b. Investments

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

c. 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.

d. 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.

e. 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 small sized group.

2. **Operating loss**

Operating loss is stated after charging:-

	1996 £
Auditors' remuneration	588
	<hr/>

No remuneration was paid to the directors during the period.

Capion Holdings Limited

Notes to the Financial Statements

For the Period Ended 30th June 1996

3. Taxation

There is no charge for taxation due to losses incurred in the period.

4. Fixed asset investments

	Shares in Subsidiary Undertakings £
Cost	
Additions	1,207,580

At 30 th June 1996	£ 1,207,580
	=====

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

At 31st October 1996

	Aggregate Share capital and reserves FFR	Profit/(loss) FFR
SCEA du Domaine de Capion	879,962	(120,039)
SCA Domaine de Capion	-	-
	=====	=====

5. Debtors

	1996 £
Amounts owed by subsidiary undertaking	556,263
Other debtors	490

	£ 556,753
	=====

6. Creditors: Amounts falling due within one year

	1996 £
Amount due to ultimate parent company	1,763,843
Other creditors	5,362

	£ 1,769,205
	=====

Capion Holdings Limited

Notes to the Financial Statements

For the Period Ended 30th June 1996

7. Ordinary shares of £1 each:

	1996 £
Authorised	£ 10,000 <u> </u>
Allotted, called up and fully paid	£ 1,000 <u> </u>

8. Reconciliation of movements in shareholder's funds

	1996 £
(Loss) for the financial period	(4,872)
Issue of share capital	1,000

Closing shareholder's funds	£ (3,872) <u> </u>

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 Colibri Settlement which is a Jersey discretionary trust.

12. Related party transactions

During the period the company made a loan totalling £556,263 to SCEA du Domaine de Capion.

At 30th June 1996 a balance of £1,763,843 was due to the ultimate controlling party.