

1801851

CELUS HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 24 June 1997* ◆

COMPANY NO: 1801851



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CELUS HOLDINGS LIMITED

COMPANY INFORMATION

Directors Mrs J M R Dent (Chairman)
 Mr C D Dent
 Mr J P M Dent
 Ms C S Dent

Secretary Mrs J M R Dent

Registered office Bryanston Court
 Selden Hill
 Hemel Hempstead
 Herts
 HP2 4TN

Registered number 1801851

Auditors Robson Rhodes
 Chartered Accountants
 186 City Road
 London EC1V 2NU

Bankers Barclays Bank Plc
 8/9 Hanover Square
 London W1A 4ZW

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 24 June 1997.

Principal activities

The principal activity of the company is unchanged since last year and consists of property investment, in freehold and long leasehold commercial properties in the West End of London.

Business review and future developments

The company's profitability has been reduced in the year on the termination of one tenancy and that property is now in the course of refurbishment. However, the property has been relet following a void period and rent will be received.

Results and dividend

The results for the year are disclosed on page 5. No dividends are proposed.

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements 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 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.

REPORT OF THE DIRECTORS
(Continued)

Directors

Those directors serving at the end of the year had interests in the share capital of the company at 24 June as follows:

	Ordinary shares of 50p each	
	1997	1996
	£	£
Mrs J M R Dent	143,264	143,264
Mr J P M Dent	5,000	5,000
Ms C S Dent	5,000	5,000

Mr J P M Dent, Ms C S Dent and Mr C E Shanbury (a partner in Robson Rhodes) are the joint trustees of two charitable trusts which have an interest in 120,000 (1996: 120,000) ordinary shares of 50p each of the company at 24 June 1997. None of the trustees has a beneficial interest in the shares.

No other director had any interest in the shares of the company.

None of the directors had any material interest in any contract or arrangement entered into by the company during the year.

Charitable and political contributions

During the year the company subscribed £7,000 (1996: £9,033) for charitable purposes.

Investment properties

The directors are of the opinion that the current value of the investment properties is substantially in excess of book value. The amount of the excess cannot be more closely determined without a professional valuation, the expense of which is not justified.

Auditors

The auditors, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 25 September 1997 and signed on its behalf by:



Jose Marianne Ruth Dent
Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
CELUS HOLDINGS LIMITED**

We have audited the financial statements on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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.

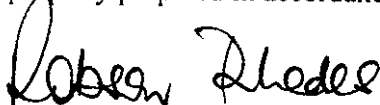
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 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.

Qualified opinion arising from disagreement about accounting treatment

Except for the failure to revalue annually investment properties, which are stated in the balance sheet at a cost of £1,381,175, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 24 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes

Chartered Accountants and Registered Auditor

London

16 October 1997

CELUS HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 24 June 1997

	Note	1997 £	1996 £
Property revenue: continuing operations		477,362	886,758
Administrative expenses		(204,607)	(202,624)
Operating profit - continuing operations	2	272,755	684,134
Income from other fixed asset investments		43,816	42,079
Interest receivable and similar income	3	201,591	195,188
Profit on ordinary activities before taxation		518,162	921,401
Tax on profit on ordinary activities	6	(158,391)	(307,251)
Retained profit for the year	14	359,771	614,150

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 24 June 1997

	1997 £	1996 £
Profit for the financial year	359,771	614,150
Unrealised gain/(deficit) on revaluation of listed investments	261,048	(44,200)
	620,819	569,950

CELUS HOLDINGS LIMITED**BALANCE SHEET**
at 24 June 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	7	1,560	1,623
Investment properties	8	1,381,175	1,381,175
Subsidiary undertakings	9	76,845	76,845
Other investments	10	1,095,787	834,740
		<hr/>	<hr/>
		2,555,367	2,294,383
		<hr/>	<hr/>
Current assets			
Debtors due after one year	11	134,000	134,000
Debtors due within one year	11	61,155	34,666
Cash at bank		3,259,205	3,155,206
		<hr/>	<hr/>
		3,454,360	3,323,872
Creditors: Amounts falling due within one year	12	(234,438)	(463,785)
		<hr/>	<hr/>
Net current assets		3,219,922	2,860,087
		<hr/>	<hr/>
Net assets		5,775,289	5,154,470
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	500,000	500,000
Share premium account	14	237,591	237,591
Revaluation reserve	14	622,736	361,688
Profit and loss account	14	4,414,962	4,055,191
		<hr/>	<hr/>
Equity shareholders' funds	15	5,775,289	5,154,470
		<hr/>	<hr/>

The financial statements were approved by the Board on 25 September 1997 and signed on its behalf by:



Cecil David Dent
Director

CELUS HOLDINGS LIMITED**CASH FLOW STATEMENT**
for the year ended 24 June 1997

	Note	1997 £	1996 £
Net cash inflow from operating activities	16	159,678	355,630
Returns on investment and servicing of finance			
Listed investments		35,053	33,663
Interest received		204,273	197,885
		239,326	231,548
Taxation			
UK corporation tax paid		(294,628)	(338,835)
UK corporation tax recovered		-	15,845
		(294,628)	(322,990)
Investing activities			
Payment to acquire fixed assets		(377)	(147)
Net cash outflow from investing activities		(377)	(147)
Net cash inflow before financing		103,999	264,041
Cash flow from financing		-	-
Increase in cash	17	103,999	264,041

NOTES TO THE FINANCIAL STATEMENTS

24 June 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention as modified by the inclusion of listed investments at revalued amounts.

The company is not required to prepare group accounts because the group qualifies as small under section 249 of the Companies Act 1985.

Property revenue

Property revenue represents rents receivable, less ground rent and maintenance expenses. Where properties are subject to rent reviews, the increase in the rental is only brought into account when agreed, including the increase which may relate to a period commencing in a previous accounting period. Payments for dilapidations are brought into account when received.

Depreciation on tangible assets

Depreciation is provided in equal annual instalments over the anticipated useful lives of the assets. The rates of depreciation used are as follows:

Furniture and equipment	-	10%
Motor cars	-	20%

Investment properties

Investment properties are stated at cost when acquired by the company on transfer following the reconstruction of the predecessor company on 15 June 1984 and by subsidiaries before that date.

The directors are of the opinion that the current market value of the properties is considerably in excess of their net book value. The directors also consider the expense of professional valuations unjustifiable. Investment properties are not depreciated as in the opinion of the directors any such depreciation would be immaterial.

Other investments

Listed investments are shown at market value; investments in subsidiaries are shown at cost to the parent company.

2. OPERATING PROFIT

	1997 £	1996 £
Operating profit is arrived at after charging:		
Auditors' remuneration	11,000	10,500
Depreciation	440	402
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

24 June 1997

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997	1996
	£	£
Bank deposit interest receivable	201,591	194,947
Other interest receivable	-	241
	<u>201,591</u>	<u>195,188</u>

4. EMPLOYEES

	1997	1996
	No	No
Average number of people (including directors) employed by the company during the year in an administrative capacity was:	<u>7</u>	<u>7</u>

Staff costs, including directors:

	1997	1996
	£	£
Wages and salaries	102,000	102,996
Social security costs	6,405	9,581
	<u>108,405</u>	<u>112,577</u>

NOTES TO THE FINANCIAL STATEMENTS**24 June 1997****5. DIRECTORS' EMOLUMENTS**

	1997 £	1996 £
Management remuneration	81,626	81,512
Chairman	12,028	11,975
Highest paid director	59,598	59,537
Scale of other directors' remuneration £0 - £5,000	No 2	No 2

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation tax at 30% (1996 - 33%)	155,000	300,000
Adjustment to prior years' estimates	(5,372)	(1,165)
Tax credits on franked investment income	8,675	8,324
Income tax suffered on overseas earnings	88	92
	158,391	307,251

NOTES TO THE FINANCIAL STATEMENTS
24 June 1997

7. TANGIBLE FIXED ASSETS

	Motor cars £	Furniture and equipment £	Total £
Cost			
At 25 June 1996	21,513	4,024	25,537
Additions	-	377	377
	<hr/>	<hr/>	<hr/>
At 24 June 1997	21,513	4,401	25,914
	<hr/>	<hr/>	<hr/>
Depreciation			
At 25 June 1996	21,513	2,401	23,914
Charge for the year	-	440	440
	<hr/>	<hr/>	<hr/>
At 24 June 1997	21,513	2,841	24,354
	<hr/>	<hr/>	<hr/>
Net book value			
At 24 June 1997	-	1,560	1,560
	<hr/>	<hr/>	<hr/>
At 24 June 1996	-	1,623	1,623
	<hr/>	<hr/>	<hr/>

8. INVESTMENT PROPERTIES

	Long leasehold £	Freehold £	Total £
Cost			
At 25 June 1996 and at 24 June 1997	428,250	952,925	1,381,175
	<hr/>	<hr/>	<hr/>

No provision for deferred taxation of approximately £67,000 which would be payable if the properties were sold at their book value has been made, as there is no intention to dispose of any of the properties in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

24 June 1997

9. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Cost	£
At 25 June 1996 and 24 June 1997	170,863
Provisions	
At 25 June 1996 and 24 June 1997	94,018
Net book value	
At 24 June 1997 and 24 June 1996	76,845

Principal subsidiary	Country of incorporation or registration	Capital and reserves £	Profit for the financial year £	Parent interest in ordinary shares
White Lodge Limited	England & Wales	48,935	1,964	100%
Cramas Properties Limited	England & Wales	27,600	-	100%

Under the equity method of valuation, the investment in subsidiary undertakings would be £76,646 (1996: £74,682).

NOTES TO THE FINANCIAL STATEMENTS**24 June 1997****10. OTHER INVESTMENTS****Listed investments**

	1997	1996
	£	£
Market value		
At 25 June 1996	834,740	878,940
Change in valuation during the year	261,047	(44,200)
	<hr/>	<hr/>
At 24 June 1997	1,095,787	834,740
	<hr/>	<hr/>
 The original cost of the listed investments held at 24 June was	 473,051	 473,051
	<hr/>	<hr/>

Corporation tax of approximately £125,000 (1996: £45,000) would be payable if the listed investments were sold at their market value.

11. DEBTORS

	1997	1996
	£	£
Due after one year		
Amounts owed by subsidiary undertaking	125,000	125,000
Other debtors	9,000	9,000
	<hr/>	<hr/>
	134,000	134,000
	<hr/>	<hr/>
 Due within one year		
Amount owed by subsidiary undertaking	3,417	2,237
Other debtors	1,000	3,000
Sundry debtors and prepayments	56,738	29,429
	<hr/>	<hr/>
	61,155	34,666
	<hr/>	<hr/>

CELUS HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

24 June 1997

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Amounts owed to subsidiary undertaking	27,600	27,600
Corporation tax	155,000	300,000
Other tax and social security	1,680	4,943
Accruals and deferred income	50,158	131,242
	<u>234,438</u>	<u>463,785</u>

13. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised, allotted and fully paid 1,000,000 ordinary shares of 50p each	500,000	500,000

14. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 25 June 1996	237,591	361,688	4,055,191
Retained profit	-	-	359,771
Investment revaluation surplus	-	261,048	-
	<u>237,591</u>	<u>622,736</u>	<u>4,414,962</u>

NOTES TO THE FINANCIAL STATEMENTS

24 June 1997

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Total recognised gains	620,819	569,950
Opening shareholders' funds	5,154,470	4,584,520
	<hr/>	<hr/>
Closing shareholders' funds	5,775,289	5,154,470
	<hr/>	<hr/>

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1997	1996
	£	£
Operating profit	272,755	684,134
Depreciation	440	402
(Increase)/decrease in debtors	(29,171)	76,841
(Decrease) in creditors	(84,346)	(405,747)
	<hr/>	<hr/>
	159,678	355,630
	<hr/>	<hr/>

17. ANALYSIS OF CASH

	Cash at bank and in hand £
At 25 June 1995	2,891,165
Net cash inflow	264,041
	<hr/>
At 25 June 1996	3,155,206
Net cash inflow	103,999
	<hr/>
At 24 June 1997	3,259,205
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