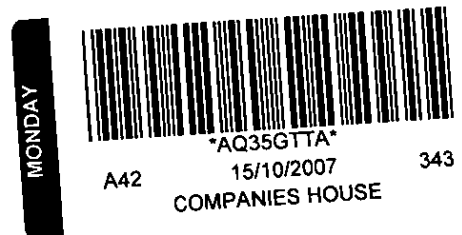


# **Celus Holdings Limited**

## **Annual Report**

**Year ended 24 June 2007**



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## Company Information

|           |   |
|-----------|---|
| Directors | Mrs J M R Dent (Chairman)<br>Mr C D Dent<br>Mr J P M Dent<br>Ms C S Dent<br>Ms L R Dent |
|-----------|---|

|           |                |
|-----------|----------------|
| Secretary | Mrs J M R Dent |
|-----------|----------------|

|                   |   |
|-------------------|---|
| Registered office | Bryanston Court<br>Selden Hill<br>Hemel Hempstead<br>Herts<br>HP2 4TN |
|-------------------|---|

|                   |         |
|-------------------|---------|
| Registered number | 1801851 |
|-------------------|---------|

|          |  |
|----------|--|
| Auditors | Grant Thornton UK LLP<br>Chartered Accountants<br>30 Finsbury Square<br>London<br>EC2P 2YU |
|----------|--|

|         |   |
|---------|---|
| Bankers | Barclays Bank Plc<br>99 Hatton Garden<br>London<br>EC1N 8DN |
|---------|---|

## Report of the Directors

The directors present their report and the audited financial statements for the year ended 24 June 2007

### 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 development

During the last year, the company continued to be profitable. Property revenue declined during the year as some leases expired, but most of the properties had been re-let by the year end and all were let shortly after the year end. The level of profitability is expected to be maintained in the current year.

### Results and dividend

The results for the year are disclosed on page 5. The directors paid an ordinary dividend of 100p (2006: 50p) per share totalling £1,000,000 for the year ended 24 June 2007 (2006: £500,000).

### Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 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 disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

### Directors

The directors who served during the year are detailed on page 1.

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 |        |
|----------------|-----------------------------|--------|
|                | 2007                        | 2006   |
| Mr C D Dent    | 71,632                      | 71,632 |
| Mrs J M R Dent | 71,632                      | 71,632 |
| Mr J P M Dent  | 5,000                       | 5,000  |
| Ms C S Dent    | 30,500                      | 30,500 |
| Ms L R Dent    | 30,632                      | 30,632 |

## Report of the Directors *continued*

Throughout the year

- Mr J P M Dent, Ms C S Dent and Ms L R Dent were joint trustees of a charitable trust, which had an interest in 120,000 (2006 120,000) ordinary shares of 50p each of the company at 24 June 2006
- Mr J P M Dent, Ms C S Dent and Ms L R Dent were joint trustees of a discretionary trust of which they were beneficiaries which had an interest in 475,000 ordinary shares of 50p each in the company at 24 June 2006
- Mr J P M Dent has held 25,500 ordinary shares of 50p each in the company as a bare trustee for the benefit of his children

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 £500 (2006 £2,500) 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

### Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### Auditors

RSM Robson Rhodes LLP ("Robson Rhodes") merged its audit practice with that of Grant Thornton UK LLP ("Grant Thornton") with effect from 2 July 2007, with the successor firm being Grant Thornton. Robson Rhodes resigned as auditors on 23<sup>rd</sup> July 2007, creating a casual vacancy which the directors have filled by appointing Grant Thornton. A resolution to reappoint Grant Thornton as auditors of the company will be proposed at the forthcoming Annual General Meeting.

The report of the directors was approved by the Board on 9 October 2007 and signed on its behalf by

Jose Marianne Ruth Dent  
Secretary



## Independent Auditors' Report to the Shareholders of Celus Holdings Limited

We have audited the financial statements on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the Statement of Directors Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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. We also report to you whether in our opinion the information given in the directors' 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 directors' 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 Directors' 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 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 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.

### Qualified opinion arising from disagreement about accounting treatment

In our opinion:

- Except for the failure to revalue annually investment properties, which are stated in the balance sheet at a cost of £1,425,648, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 24 June 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- The information given in the directors' report is consistent with the financial statements.

  
Grant Thornton UK LLP  
Chartered Accountants and Registered Auditors

9 October 2007

Hemel Hempstead, England

## Profit and Loss Account

For the year ended 24 June 2007

|  | Note | 2007<br>£   | 2006<br>£ |
|--|------|-------------|-----------|
| <b>Property revenue continuing operations</b>        |      | 1,428,034   | 1,459,499 |
| Administrative expenses                              |      | (305,233)   | (185,252) |
| <b>Operating profit – continuing operations</b>      | 2    | 1,122,801   | 1,274,247 |
| Income from other fixed asset investments            |      | 48,483      | 52,414    |
| Interest receivable and similar income               | 3    | 318,327     | 252,198   |
| <b>Profit on ordinary activities before taxation</b> |      | 1,489,611   | 1,578,859 |
| Tax on profit on ordinary activities                 | 6    | (435,161)   | (458,027) |
| <b>Profit for the financial year</b>                 |      | 1,054,450   | 1,120,832 |
| Dividends paid 100p (2006 50p) per share             |      | (1,000,000) | (500,000) |
| <b>Retained profit for the year</b>                  | 15   | 54,450      | 620,832   |

## Statement of Total Recognised Gains and Losses

For the year ended 24 June 2007

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Profit for the financial year                           | 54,450    | 620,832   |
| Unrealised surplus on revaluation of listed investments | 144,880   | 365,156   |
|   | 199,330   | 985,988   |

## Note of Historical Cost Profits and Losses

For the year ended 24 June 2007

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Profit for the year                         | 54,450    | 620,832   |
| <b>Historical cost surplus for the year</b> | 54,450    | 620,832   |

# Balance Sheet

at 24 June 2007

|  | Note | 2007<br>£ | 2006<br>£ |
|--|------|-----------|-----------|
| <b>Fixed assets</b>                                  |      |           |           |
| Tangible assets                                      | 7    | 846       | 1,045     |
| Investment properties                                | 8    | 1,425,648 | 1,425,648 |
| Subsidiary undertakings                              | 9    | 49,246    | 49,246    |
| Other investments                                    | 10   | 2,148,515 | 2,003,635 |
|  |      | <hr/>     | <hr/>     |
|  |      | 3,624,255 | 3,479,574 |
|  |      | <hr/>     | <hr/>     |
| <b>Current assets</b>                                |      |           |           |
| Debtors due after one year                           | 11   | 199,426   | 190,000   |
| Debtors due within one year                          | 11   | 308,076   | 405,945   |
| Cash at bank and in hand                             |      | 6,265,592 | 6,100,262 |
|  |      | <hr/>     | <hr/>     |
|  |      | 6,773,094 | 6,696,207 |
|  |      | <hr/>     | <hr/>     |
| <b>Creditors</b> Amounts falling due within one year | 12   | (706,642) | (683,689) |
|  |      | <hr/>     | <hr/>     |
| <b>Net current assets</b>                            |      | 6,066,452 | 6,012,518 |
|  |      | <hr/>     | <hr/>     |
| <b>Total assets less current liabilities</b>         |      | 9,690,707 | 9,492,092 |
|  |      | <hr/>     | <hr/>     |
| <b>Provision for liabilities and charges</b>         | 13   | (7,920)   | (8,635)   |
|  |      | <hr/>     | <hr/>     |
| <b>Net assets</b>                                    |      | 9,682,787 | 9,483,457 |
|  |      | <hr/>     | <hr/>     |
| <b>Capital and reserves</b>                          |      |           |           |
| Called up share capital                              | 14   | 500,000   | 500,000   |
| Share premium account                                | 15   | 237,591   | 237,591   |
| Revaluation reserve                                  | 15   | 1,726,979 | 1,582,099 |
| Profit and loss account                              | 15   | 7,218,217 | 7,163,767 |
|  |      | <hr/>     | <hr/>     |
| <b>Equity shareholders' funds</b>                    |      | 9,682,787 | 9,483,457 |
|  |      | <hr/>     | <hr/>     |

The financial statements were approved by the Board on 9 October and signed on its behalf by



Cecil David Dent  
Director



## Cash Flow Statement

For the year ended 24 June 2007

|   | Note | 2007<br>£   | 2006<br>£ |
|---|------|-------------|-----------|
| <b>Net cash inflow from operating activities</b>      | 17   | 1,252,654   | 1,341,813 |
| <b>Returns on investment and servicing of finance</b> |      |             |           |
| Dividends received                                    |      | 51,765      | 55,940    |
| Interest received                                     |      | 315,114     | 253,784   |
|   |      | 366,879     | 309,724   |
| <b>Taxation</b>                                       |      |             |           |
| UK corporation tax paid                               |      | (454,203)   | (462,685) |
| <b>Equity dividends paid</b>                          |      | (1,000,000) | (500,000) |
| <b>Increase in cash</b>                               | 18   | 165,330     | 688,852   |

## Notes to the Financial Statements

24 June 2007

### 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.

#### Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

#### 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% |
|-------------------------|---|-----|

#### 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

Other investments are shown at market value, investments in subsidiaries are shown at cost to the parent company.

Income from listed investments is recognised on an accruals basis.

#### Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date that the transaction occurred. Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 24 June. Exchange differences are taken to the profit and loss account.

## Notes to the Financial Statements

### 2. Operating Profit

Operating profit is arrived at after charging

|                        | 2007<br>£     | 2006<br>£     |
|------------------------|---------------|---------------|
| Auditors' remuneration | 13,500        | 13,000        |
| Depreciation           | 198           | 198           |
|                        | <u>13,698</u> | <u>13,198</u> |

### 3. Interest Receivable and Similar Income

|                          | 2007<br>£      | 2006<br>£      |
|--------------------------|----------------|----------------|
| Bank interest receivable | 312,888        | 251,960        |
| Other Income receivable  | 5,439          | 238            |
|                          | <u>318,327</u> | <u>252,198</u> |

### 4. Employees

|   | 2007<br>No | 2006<br>No |
|---|------------|------------|
| Average number of people (including directors employed by the company during the year in an administrative capacity was | 6          | 6          |
|   | <u>6</u>   | <u>6</u>   |

Staff costs, including directors

|                       | 2007<br>£      | 2006<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 151,082        | 99,365         |
| Social security costs | 13,631         | 8,369          |
|                       | <u>164,713</u> | <u>107,734</u> |

### 5. Directors

|                        | 2007<br>£ | 2006<br>£ |
|------------------------|-----------|-----------|
| Directors remuneration | 141,250   | 90,000    |
| Chairman               | 21,250    | 10,000    |
| Highest paid director  | 43,750    | 55,000    |

## Notes to the Financial Statements

## 6. Tax on Profit on Ordinary Shares

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| <b>United Kingdom Corporation Tax</b>                     |           |           |
| Current tax on income for the year                        | 436,000   | 457,500   |
| Group relief  | -         | 230       |
| Adjustments in respect of prior years                     | (124)     | (31)      |
|   | <hr/>     | <hr/>     |
| <b>Current taxation</b>                                   | 435,876   | 457,699   |
| <b>Deferred taxation</b>                                  |           |           |
| Net origination (reversal) of timing differences          | (715)     | 328       |
|   | <hr/>     | <hr/>     |
| <b>Current taxation charge</b>                            | 435,161   | 458,027   |
|   | <hr/>     | <hr/>     |
| <b>Current tax reconciliation</b>                         |           |           |
| Profit on ordinary activities before taxation             | 1,489,611 | 1,578,859 |
|   | <hr/>     | <hr/>     |
| Theoretical tax at UK corporation tax rate 30% (2006 30%) | 446,883   | 473,658   |
| Effects of -  |           |           |
| - adjustments in respect of prior years                   | (124)     | (31)      |
| - accelerated capital allowances                          | 715       | (328)     |
| - UK dividends not taxable                                | (11,918)  | (15,724)  |
| - Expenses Not Deductible for tax purposes                | 168       | -         |
| - Other adjustments                                       | 152       | 124       |
|   | <hr/>     | <hr/>     |
| Actual current taxation charge                            | 435,876   | 457,699   |
|   | <hr/>     | <hr/>     |

## 7. Tangible Fixed Assets

|                       | Furniture and<br>equipment<br>£ |
|-----------------------|---------------------------------|
| <b>Cost</b>           |                                 |
| At 25 June 2006       | 1,985                           |
| Disposal              | -                               |
|                       | <hr/>                           |
| At 24 June 2007       | 1,985                           |
| <b>Depreciation</b>   |                                 |
| At 25 June 2006       | 940                             |
| Charge for the year   | 199                             |
| Disposals             | -                               |
|                       | <hr/>                           |
| At 24 June 2007       | 1,139                           |
| <b>Net book value</b> |                                 |
| At 24 June 2007       | 846                             |
|                       | <hr/>                           |
| At 24 June 2006       | 1,045                           |
|                       | <hr/>                           |

## Notes to the Financial Statements

### 8. Investment Properties

|                          | Long<br>leasehold<br>£ | Freehold<br>£  | Total<br>£       |
|--------------------------|------------------------|----------------|------------------|
| <b>Cost or valuation</b> |                        |                |                  |
| At 25 June 2006          | 472,723                | 952,925        | 1,425,648        |
| Additions                | -                      | -              | -                |
| Disposals                | -                      | -              | -                |
| At 24 June 2007          | <u>472,723</u>         | <u>952,925</u> | <u>1,425,648</u> |

No provision for deferred taxation of approximately £20,000 (2006 - £28,000) 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 properties in the foreseeable future

### 9. Subsidiary Undertakings

|                                | Total<br>£    |
|--------------------------------|---------------|
| <b>Cost and net book value</b> |               |
| At 24 June 2006                | 49,246        |
| At 24 June 2007                | <u>49,246</u> |

| Principal subsidiary | Country of<br>incorporation or<br>registration | Capital and<br>reserves<br>£ | Profit for the<br>financial year<br>£ | Parent<br>interest in<br>ordinary<br>shares |
|----------------------|--|------------------------------|---------------------------------------|---|
| White Lodge Limited  | England & Wales                                | 90,251                       | 8,831                                 | 100%  |

Under the equity method of valuation the investment in subsidiary undertakings would be £90,249 (2006 £81,420)

# Notes to the Financial Statements

## 10. Other investments

### Listed investments

|  | 2007<br>£        |
|--|------------------|
| <b>Market value</b>  |                  |
| At 25 June 2006  | 2,003,635        |
| Change in valuation during the year                                  | 144,880          |
| At 24 June 2007  | <u>2,148,515</u> |
| The original cost of the listed investments held at 24 June 2007 was | <u>421,535</u>   |

No provision has been made for the deferred tax of £391,000 (2006 £360,000) on gains on revaluing investments to their market value, as there is no intention to dispose of the investments in the foreseeable future

## 11. Debtors

|  | 2007<br>£      | 2006<br>£      |
|--|----------------|----------------|
| <b>Due after one year</b>              |                |                |
| Amounts owed by subsidiary undertaking | 190,000        | 190,000        |
| Rental income receivable               | 9,426          | -              |
|  | <u>199,426</u> | <u>190,000</u> |
| <b>Due within one year</b>             |                |                |
| Rental income receivable               | 259,238        | 372,913        |
| Sundry debtors and prepayments         | 48,838         | 33,032         |
|  | <u>308,076</u> | <u>405,945</u> |

## Notes to the Financial Statements

### 12. Creditors: Amounts Falling Due Within One Year

|                                       | 2007<br>£      | 2006<br>£      |
|---------------------------------------|----------------|----------------|
| Corporation tax                       | 206,123        | 224,382        |
| Other tax and social security         | 57,435         | 60,542         |
| Accruals and deferred income          | 379,749        | 381,605        |
| Amounts due to subsidiary undertaking | 13,087         | 6,145          |
| Other creditors                       | 50,248         | 11,015         |
|                                       | <u>706,642</u> | <u>683,689</u> |

### 13. Provisions for Liabilities and Charges

|                                       | Deferred<br>taxation<br>£ |
|---------------------------------------|---------------------------|
| At 25 June 2006                       | 8,635                     |
| Transfer from profit and loss account | (715)                     |
|                                       | <u>7,920</u>              |
| At 24 June 2007                       | <u>7,920</u>              |

Deferred taxation comprises

|                    | Amounts provided<br>2007<br>£ | 2006<br>£    |
|--------------------|-------------------------------|--------------|
| Capital allowances | <u>7,920</u>                  | <u>8,635</u> |

### 14. Called Up Share Capital

|  | 2007<br>£      | 2006<br>£      |
|--|----------------|----------------|
| Authorised, allotted and fully paid<br>1,000,000 ordinary shares of 50p each | <u>500,000</u> | <u>500,000</u> |

# Notes to the Financial Statements

## 15. Reserves

|                                | Share<br>premium<br>account<br>£ | Revaluation<br>Reserve<br>£ | Profit<br>and loss<br>account<br>£ |
|--------------------------------|----------------------------------|-----------------------------|------------------------------------|
| At 25 June 2006                | 237,591                          | 1,582,099                   | 7,163,767                          |
| Retained profit                | -                                | -                           | 54,450                             |
| Investment revaluation surplus | -                                | 144,880                     | -                                  |
| At 24 June 2007                | <u>237,591</u>                   | <u>1,726,979</u>            | <u>7,218,217</u>                   |

## 16. Reconciliation of Shareholders Funds

|                             | 2007<br>£        | 2006<br>£        |
|-----------------------------|------------------|------------------|
| Total recognised gains      | 199,330          | 985,988          |
| Opening shareholders' funds | <u>9,483,457</u> | <u>8,497,469</u> |
| Closing shareholders' funds | <u>9,682,787</u> | <u>9,483,457</u> |

## 17. Reconciliation of Operating Profit to Net Cash Flow from Operating Activities

|                                  | 2007<br>£        | 2006<br>£        |
|----------------------------------|------------------|------------------|
| Operating profit                 | 1,122,801        | 1,274,247        |
| Depreciation                     | 198              | 198              |
| Decrease in debtors              | 88,443           | 79,167           |
| Increase/(decrease) in creditors | 41,212           | (11,799)         |
|                                  | <u>1,252,654</u> | <u>1,341,813</u> |

## 18. Analysis of Cash

|                 | 2007<br>£        | 2006<br>£        |
|-----------------|------------------|------------------|
| At 25 June 2006 | 6,100,262        | 5,411,410        |
| Net cash inflow | <u>165,330</u>   | <u>688,852</u>   |
| At 24 June 2007 | <u>6,265,592</u> | <u>6,100,262</u> |