
CELUS HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 24 June 1999* ◆



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 RSM 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 1999.

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 returned to profitability with rent received from all properties for a full year. In addition profits were increased by a one off receipt for dilapidations from a former tenant of £900,000, while expenses continued at about the same level as the previous year. Without any exceptional receipts to come, profits for the next year are expected to revert to a more modest level.

Results and dividend

The results for the year are disclosed on page 5. The directors paid an ordinary dividend of 25p per share totalling £250,000 for the year ended 24 June 1999 (1998 - £125,000).

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	
	1999	1998
	£	£
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	5,000	5,000

Mr J P M Dent, Ms C S Dent and Mr C E Shanbury (a partner in Robson Rhodes) were the joint trustees of two charitable trusts which had an interest in 120,000 (1998: 120,000) ordinary shares of 50p each of the company at 24 June 1999. None of the trustees had 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 £Nil (1998: £Nil) 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.

Year 2000

The directors have assessed the risks associated with the year 2000 date change. The costs involved are considered to be insignificant.

Auditors

The auditors changed their name to RSM Robson Rhodes on 18 October 1999 and accordingly have signed the audit report using their new name. They are willing to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

The report of the directors was approved by the Board on *25 October* 1999 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.

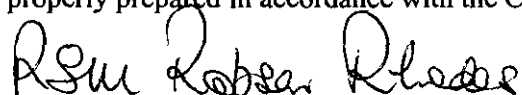
Basis of opinion

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes
Chartered Accountants and Registered Auditor

London

25 October 1999

CELUS HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 24 June 1999

	Note	1999 £	1998 £
Property revenue: continuing operations		1,776,778	(811,240)
Administrative expenses		(189,240)	(196,955)
		<hr/>	<hr/>
Operating profit/(loss) - continuing operations	2	1,587,538	(1,008,195)
Income from other fixed asset investments		48,203	90,837
Interest receivable and similar income	3	198,262	176,921
Profit on disposal of fixed assets		10,004	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		1,844,007	(740,437)
Tax on profit on ordinary activities	6	(409,640)	(13,537)
		<hr/>	<hr/>
Profit/(loss) for the financial year		1,434,367	(753,974)
Dividends paid: 25p per share		(250,000)	(125,000)
		<hr/>	<hr/>
Retained profit/(loss) for the year	14	1,184,367	(878,974)
		<hr/> <hr/>	<hr/> <hr/>

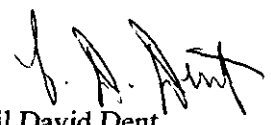
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 24 June 1999

	1999 £	1998 £
Profit/(loss) for the financial year	1,184,367	(878,974)
Unrealised (deficit)/gain on revaluation of listed investments	(88,978)	84,138
	<hr/>	<hr/>
	1,095,389	(794,836)
	<hr/> <hr/>	<hr/> <hr/>

CELUS HOLDINGS LIMITED**BALANCE SHEET**
at 24 June 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	7	2,116	1,120
Investment properties	8	1,381,175	1,381,175
Subsidiary undertakings	9	76,845	76,845
Other investments	10	1,083,860	1,179,925
		<hr/>	<hr/>
		2,543,996	2,639,065
		<hr/>	<hr/>
Current assets			
Debtors due after one year	11	110,000	115,000
Debtors due within one year	11	68,689	63,841
Cash at bank		3,846,817	2,409,946
		<hr/>	<hr/>
		4,025,506	2,588,787
Creditors: Amounts falling due within one year	12	(493,660)	(247,399)
		<hr/>	<hr/>
Net current assets		3,531,846	2,341,388
		<hr/>	<hr/>
Net assets		6,075,842	4,980,453
		<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	617,896	706,874
Profit and loss account	14	4,720,355	3,535,988
		<hr/>	<hr/>
Equity shareholders' funds	15	6,075,842	4,980,453
		<hr/>	<hr/>

The financial statements were approved by the Board on 25 October 1999 and signed on its behalf by:


Cecil David Dent
Director

CASH FLOW STATEMENT
for the year ended 24 June 1999

	Note	1999 £	1998 £
Net cash (inflow)/outflow from operating activities	16	1,422,963	(798,526)
Returns on investment and servicing of finance			
Dividends received		37,313	56,657
Interest received		211,090	172,367
		1,671,366	(569,502)
Taxation			
UK corporation tax paid		-	(154,757)
		1,671,366	(724,259)
Capital expenditure and financial investment			
Purchase of fixed assets		(1,586)	-
Disposal of fixed assets		17,091	-
		15,505	-
Equity dividends paid		(250,000)	(125,000)
Increase/(decrease) in cash	17	1,436,871	(849,259)

NOTES TO THE FINANCIAL STATEMENTS**24 June 1999****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/(LOSS)

	1999 £	1998 £
Operating profit/(loss) is arrived at after charging:		
Auditors' remuneration	11,000	11,000
Depreciation	590	440
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS**24 June 1999****3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1999 £	1998 £
Bank deposit treasury interest receivable	198,262	176,881
Other interest receivable	-	40
	<u>198,262</u>	<u>176,921</u>

4. EMPLOYEES

	1999 No	1998 No
Average number of people (including directors) employed by the company during the year in an administrative capacity was:	7	7

Staff costs, including directors:

	1999 £	1998 £
Wages and salaries	102,498	103,621
Social security costs	8,604	9,284
	<u>111,102</u>	<u>112,905</u>

NOTES TO THE FINANCIAL STATEMENTS**24 June 1999****5. DIRECTORS' EMOLUMENTS**

	1999	1998
	£	£
Management remuneration	77,661	81,903
	<hr/>	<hr/>
Chairman	10,844	12,148
	<hr/>	<hr/>
Highest paid director	56,817	59,756
	<hr/>	<hr/>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999	1998
	£	£
Corporation tax at 31%	400,000	-
Adjustment to prior years' estimates	-	(242)
Tax credits on franked investment income	9,640	13,779
	<hr/>	<hr/>
	409,640	13,537
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
24 June 1999

7. TANGIBLE FIXED ASSETS

	Motor cars £	Furniture and equipment £	Total £
Cost			
At 25 June 1998	21,513	4,401	25,914
Additions	-	1,586	1,586
Disposals	(21,513)	-	(21,513)
	<hr/>	<hr/>	<hr/>
At 24 June 1999	-	5,987	5,987
	<hr/>	<hr/>	<hr/>
Depreciation			
At 25 June 1998	21,513	3,281	24,794
Charge for the year	-	590	590
Released on disposal	(21,513)	-	(21,513)
	<hr/>	<hr/>	<hr/>
At 24 June 1999	-	3,871	3,871
	<hr/>	<hr/>	<hr/>
Net book value			
At 24 June 1999	-	2,116	2,116
	<hr/>	<hr/>	<hr/>
At 24 June 1998	-	1,120	1,120
	<hr/>	<hr/>	<hr/>

8. INVESTMENT PROPERTIES

	Long leasehold £	Freehold £	Total £
Cost			
At 25 June 1998 and at 24 June 1999	428,250	952,925	1,381,175
	<hr/>	<hr/>	<hr/>

No provision for deferred taxation of approximately £57,000 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 1999

9. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	£
Cost	
At 25 June 1998 and 24 June 1999	170,865
	<hr/>
Provisions	
At 25 June 1998 and 24 June 1999	94,020
	<hr/>
Net book value	
At 24 June 1999 and 24 June 1998	76,845
	<hr/> <hr/>

Principal subsidiary	Country of incorporation or registration	Capital and reserves	Profit / (Loss) for the financial year	Parent interest in ordinary shares
		£	£	
White Lodge Limited	England & Wales	52,221	(1,263)	100%
Cramas Properties Limited	England & Wales	27,600	-	100%

Under the equity method of valuation, the investment in subsidiary undertakings would be £76,535 (1998: £76,535).

NOTES TO THE FINANCIAL STATEMENTS
24 June 1999**10. OTHER INVESTMENTS****Listed investments**

	1999	1998
	£	£
Market value		
At 25 June 1998	1,179,925	1,095,787
Change in valuation during the year	(88,978)	84,138
Disposals	(7,087)	-
	<hr/>	<hr/>
At 24 June 1999	1,083,860	1,179,925
	<hr/>	<hr/>
 The original cost of the listed investments held at 24 June was	 465,964	 473,051
	<hr/>	<hr/>

Corporation tax of approximately £87,000 (1998: £121,000) would be payable if the listed investments were sold at their market value.

11. DEBTORS

	1999	1998
	£	£
Due after one year		
Amounts owed by subsidiary undertaking	110,000	110,000
Other debtors	-	5,000
	<hr/>	<hr/>
	110,000	115,000
	<hr/>	<hr/>
 Due within one year		
Amount owed by subsidiary undertaking	16,103	7,948
Other debtors	19,478	-
Sundry debtors and prepayments	33,108	55,893
	<hr/>	<hr/>
	68,689	63,841
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS**24 June 1999****12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Amounts owed to subsidiary undertaking	27,600	27,600
Corporation tax	400,000	-
Other tax and social security	2,110	23,240
Accruals and deferred income	63,950	196,559
	<u>493,660</u>	<u>247,399</u>

13. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted and fully paid 1,000,000 ordinary shares of 50p each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

14. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 25 June 1998	237,591	706,874	3,535,988
Retained profit	-	-	1,184,367
Investment revaluation deficit	-	(88,978)	-
	<u>237,591</u>	<u>617,896</u>	<u>4,720,355</u>
At 24 June 1999	237,591	617,896	4,720,355

NOTES TO THE FINANCIAL STATEMENTS

24 June 1999

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Total recognised gains/(losses)	1,095,389	(794,836)
Opening shareholders' funds	4,980,453	5,775,289
	<hr/>	<hr/>
Closing shareholders' funds	6,075,842	4,980,453
	<hr/>	<hr/>

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

	1999	1998
	£	£
Operating profit/(loss)	1,587,538	(1,008,195)
Depreciation	590	440
(Increase)/decrease in debtors	(11,426)	41,269
(Decrease)/increase in creditors	(153,739)	167,960
	<hr/>	<hr/>
	1,422,963	(798,526)
	<hr/>	<hr/>

17. ANALYSIS OF CASH

	Cash at bank and in hand £
At 25 June 1998	2,409,946
Net cash inflow	1,436,871
	<hr/>
At 24 June 1999	3,846,817
	<hr/>