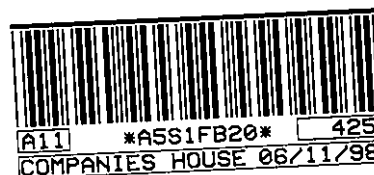


# CELUS HOLDINGS LIMITED

## REPORT AND FINANCIAL STATEMENTS

◆ Year ended 24 June 1998 ◆



COMPANY NO: 1801851

## **CELUS HOLDINGS LIMITED**

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## CELUS HOLDINGS LIMITED

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### 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 1998.

**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 incurred a substantial loss because no rent was received on one property until completion of significant maintenance work costing nearly £1.4 million prior to occupation by a new tenant. By the end of the year, all the company's properties were fully let and the directors expect a return to profitability in the current year.

**Results and dividend**

The results for the year are disclosed on page 5. The directors paid an ordinary dividend of 12.5p per share totalling £125,000 for the year ended 24 June 1998 (1997 - £nil).

**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.

## CELUS HOLDINGS LIMITED

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### 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	
	1998	1997
	£	£
Mr C D Dent	71,632	0
Mrs J M R Dent	71,632	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 (1997: 120,000) ordinary shares of 50p each of the company at 24 June 1998. 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 £Nil (1997: £7,000) 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.

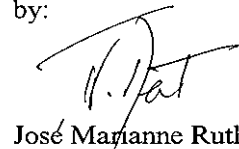
#### Year 2000

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

#### Auditors

The auditors, 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 24 September 1998 and signed on its behalf by:



José Marianne Ruth Dent  
Secretary

## **CELUS HOLDINGS LIMITED**

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### **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 1998 and of its loss 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

24 September 1998

**CELUS HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
for the year ended 24 June 1998

	Note	1998 £	1997 £
Property revenue: continuing operations		(811,240)	477,362
Administrative expenses		(196,955)	(204,607)
		<hr/>	<hr/>
Operating (loss)/profit - continuing operations	2	(1,008,195)	272,755
Income from other fixed asset investments		90,837	43,816
Interest receivable and similar income	3	176,921	201,591
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(740,437)	518,162
Tax on profit on ordinary activities	6	(13,537)	(158,391)
		<hr/>	<hr/>
(Loss)/profit for the financial year		(753,974)	359,771
Dividends paid: 12.5p per share		(125,000)	-
		<hr/>	<hr/>
Retained (loss)/profit for the year	14	(878,974)	359,711
		<hr/>	<hr/>

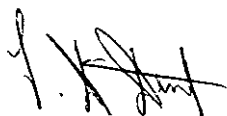
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 24 June 1998

	1998 £	1997 £
(Loss)/profit for the financial year	(878,974)	359,771
Unrealised gain/(deficit) on revaluation of listed investments	84,138	261,048
	<hr/>	<hr/>
	(794,836)	620,819
	<hr/>	<hr/>

**CELUS HOLDINGS LIMITED****BALANCE SHEET**  
at 24 June 1998

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	7	1,120	1,560
Investment properties	8	1,381,175	1,381,175
Subsidiary undertakings	9	76,845	76,845
Other investments	10	1,179,925	1,095,787
		<hr/>	<hr/>
		2,639,065	2,555,367
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors due after one year	11	115,000	134,000
Debtors due within one year	11	63,841	61,155
Cash at bank		2,409,946	3,259,205
		<hr/>	<hr/>
		2,588,787	3,454,360
<b>Creditors: Amounts falling due within one year</b>	12	(247,399)	(234,438)
		<hr/>	<hr/>
<b>Net current assets</b>		2,341,388	3,219,922
		<hr/>	<hr/>
<b>Net assets</b>		4,980,453	5,775,289
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	500,000	500,000
Share premium account	14	237,591	237,591
Revaluation reserve	14	706,874	622,736
Profit and loss account	14	3,535,988	4,414,962
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	15	4,980,453	5,775,289
		<hr/>	<hr/>

The financial statements were approved by the Board on 24 September 1998 and signed on its behalf by:



Cecil David Dent  
Director

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**CELUS HOLDINGS LIMITED**

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**CASH FLOW STATEMENT**  
**for the year ended 24 June 1998**

	Note	1998 £	1997 £
Net cash (outflow)/inflow from operating activities	16	(798,526)	159,678
		<hr/>	<hr/>
Returns on investment and servicing of finance			
Listed investments		56,657	35,053
Interest received		172,367	204,273
		<hr/>	<hr/>
		(569,502)	239,326
		<hr/>	<hr/>
Taxation			
UK corporation tax paid		(154,757)	(294,628)
		<hr/>	<hr/>
		(724,259)	(294,628)
		<hr/>	<hr/>
Capital expenditure			
Payment to acquire fixed assets		-	(377)
		<hr/>	<hr/>
Equity dividends paid		(125,000)	-
		<hr/>	<hr/>
(Decrease)/increase in cash	17	(849,259)	103,999
		<hr/>	<hr/>

## **CELUS HOLDINGS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

#### **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 (LOSS)/PROFIT**

	1998 £	1997 £
Operating profit is arrived at after charging:		
Auditors' remuneration	11,000	11,000
Depreciation	440	440
	<hr/>	<hr/>

**CELUS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1998 £	1997 £
Bank deposit interest receivable	176,881	201,591
Other interest receivable	40	-
	<hr/>	<hr/>
	176,921	201,591
	<hr/>	<hr/>

**4. EMPLOYEES**

	1998 No	1997 No
Average number of people (including directors) employed by the company during the year in an administrative capacity was:	7	7
	<hr/>	<hr/>

Staff costs, including directors:

	1998 £	1997 £
Wages and salaries	103,621	102,000
Social security costs	9,284	6,405
	<hr/>	<hr/>
	112,905	108,405
	<hr/>	<hr/>

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**CELUS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

**5. DIRECTORS' EMOLUMENTS**

	1998 £	1997 £
Management remuneration	81,903	81,626
Chairman	12,148	12,028
Highest paid director	59,756	59,598

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1998 £	1997 £
Corporation tax at 31% (1997 - 33%)	-	155,000
Adjustment to prior years' estimates	(242)	(5,372)
Tax credits on franked investment income	13,779	8,675
Income tax suffered on overseas earnings	-	88
	13,537	158,391

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

24 June 1998

**7. TANGIBLE FIXED ASSETS**

	<b>Motor cars £</b>	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 25 June 1997	21,513	4,401	25,914
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 24 June 1998	21,513	4,401	25,914
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 25 June 1997	21,513	2,841	24,354
Charge for the year	-	440	440
	<hr/>	<hr/>	<hr/>
At 24 June 1998	21,513	3,281	24,794
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 24 June 1998	-	1,120	1,120
	<hr/>	<hr/>	<hr/>
At 24 June 1997	-	1,560	1,560
	<hr/>	<hr/>	<hr/>

**8. INVESTMENT PROPERTIES**

	<b>Long leasehold £</b>	<b>Freehold £</b>	<b>Total £</b>
<b>Cost</b>			
At 25 June 1997 and at 24 June 1998	428,250	952,925	1,381,175
	<hr/>	<hr/>	<hr/>

No provision for deferred taxation of approximately £61,000 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.

## **CELUS HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

#### **9. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

<b>Cost</b>	<b>£</b>
At 25 June 1997 and 24 June 1998	170,863
<b>Provisions</b>	
At 25 June 1997 and 24 June 1998	94,018
<b>Net book value</b>	
At 24 June 1998 and 24 June 1997	76,845

<b>Principal subsidiary</b>	<b>Country of incorporation or registration</b>	<b>Capital and reserves £</b>	<b>Profit for the financial year £</b>	<b>Parent interest in ordinary shares</b>
White Lodge Limited	England & Wales	53,484	5,344	100%
Cramas Properties Limited	England & Wales	27,600	-	100%

Under the equity method of valuation, the investment in subsidiary undertakings would be £76,535 (1997: £76,646).

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**CELUS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

**10. OTHER INVESTMENTS****Listed investments**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>Market value</b>		
At 25 June 1997	1,095,787	834,740
Change in valuation during the year	84,138	261,047
	<hr/>	<hr/>
At 24 June 1998	1,179,925	1,095,787
	<hr/>	<hr/>
 The original cost of the listed investments held at 24 June was	 473,051	 473,051
	<hr/>	<hr/>

Corporation tax of approximately £121,000 (1997: £125,000) would be payable if the listed investments were sold at their market value.

**11. DEBTORS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
<b>Due after one year</b>		
Amounts owed by subsidiary undertaking	110,000	125,000
Other debtors	5,000	9,000
	<hr/>	<hr/>
	115,000	134,000
	<hr/>	<hr/>
 <b>Due within one year</b>		
Amount owed by subsidiary undertaking	7,948	3,417
Other debtors	-	1,000
Sundry debtors and prepayments	55,893	56,738
	<hr/>	<hr/>
	63,841	61,155
	<hr/>	<hr/>

**CELUS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

24 June 1998

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £	1997 £
Amounts owed to subsidiary undertaking	27,600	27,600
Corporation tax	-	155,000
Other tax and social security	23,240	1,680
Accruals and deferred income	196,559	50,158
	<hr/>	<hr/>
	247,399	234,438
	<hr/>	<hr/>

**13. CALLED UP SHARE CAPITAL**

	1998 £	1997 £
Authorised, allotted and fully paid 1,000,000 ordinary shares of 50p each	500,000	500,000
	<hr/>	<hr/>

**14. RESERVES**

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 25 June 1997	237,591	622,736	4,414,962
Retained loss	-	-	(878,974)
Investment revaluation surplus	-	84,138	-
	<hr/>	<hr/>	<hr/>
At 24 June 1998	237,591	706,874	3,535,988
	<hr/>	<hr/>	<hr/>

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

24 June 1998

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Total recognised (losses)/gains	(794,836)	620,819
Opening shareholders' funds	5,775,289	5,154,470
	<hr/>	<hr/>
Closing shareholders' funds	4,980,453	5,775,289
	<hr/>	<hr/>

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

	1998 £	1997 £
Operating (loss)/profit	(1,008,195)	272,755
Depreciation	440	440
Decrease/(increase) in debtors	41,269	(29,171)
Increase/(decrease) in creditors	167,960	(84,346)
	<hr/>	<hr/>
	(798,526)	159,678
	<hr/>	<hr/>

**17. ANALYSIS OF CASH**

	Cash at bank and in hand £
At 25 June 1996	3,155,206
Net cash inflow	103,999
	<hr/>
At 25 June 1997	3,259,205
Net cash (outflow)	(849,259)
	<hr/>
At 24 June 1998	2,409,946
	<hr/>

**The following pages do not form part of the  
audited statutory financial statements and are for  
management purposes only**

**CELUS HOLDINGS LIMITED****DETAILED PROFIT AND LOSS ACCOUNT  
for the year ended 24 June 1998****For directors' use only**

<b>Property revenue</b>	<b>Rent £</b>	<b>1998 Outgoings £</b>	<b>Net £</b>	<b>1997 £</b>
58/62 Newman Street, London W1	176,910	1,374,063	(1,197,153)	47,153
63/64 Newman Street, London W1	125,000	(247)	125,247	78,283
66/68 Margaret Street, London W1	262,850	2,184	260,666	351,926
	<hr/>	<hr/>	<hr/>	<hr/>
	564,760	1,376,000	(811,240)	477,362
	<hr/>	<hr/>		
Interest receivable			176,921	201,591
Dividends receivable			90,837	43,816
			<hr/>	<hr/>
			(543,482)	722,769
<b>Less: Expenses</b>				
Directors' remuneration			75,000	75,000
Management expenses			121,955	122,607
Charitable and other donations			-	7,000
			<hr/>	<hr/>
			(196,955)	204,607
			<hr/>	<hr/>
<b>Net (loss)/profit for the year subject to taxation</b>			(740,437)	518,162
<b>Deduct: Taxation</b>				
Corporation tax			-	155,000
Prior year adjustments			(242)	(5,372)
Tax credits on franked investment income			13,779	8,675
Income tax suffered on overseas earnings			-	88
			<hr/>	<hr/>
			(13,537)	158,391
			<hr/>	<hr/>
<b>(Loss)/profit for the year</b>			(753,974)	359,771
			<hr/>	<hr/>

**CELUS HOLDINGS LIMITED****DETAILED PROFIT AND LOSS ACCOUNT  
for the year ended 24 June 1998****For directors' use only**

	<b>1998 £</b>	<b>1997 £</b>
<b>Directors' remuneration</b>		
C D Dent	55,000	55,000
Mrs J M R Dent	10,000	10,000
J P M Dent	5,000	5,000
Ms C S Dent	5,000	5,000
	<hr/>	<hr/>
	75,000	75,000
	<hr/>	<hr/>
<b>Management expenses</b>		
Office expenses	40,753	42,097
Audit, accountancy, secretarial and taxation services	74,583	73,907
Motor car expenses	4,191	3,428
Entertainment	628	542
Advertising expenses	976	859
Depreciation - furniture	440	440
Bank interest and bank charges	47	58
Legal and professional	30	1,276
General	307	-
	<hr/>	<hr/>
	121,955	122,607
	<hr/>	<hr/>
<b>Charitable and other donations</b>		
Paid under gift aid	-	7,000
	<hr/>	<hr/>
	-	7,000
	<hr/>	<hr/>

**CELUS HOLDINGS LIMITED**

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**RENTS RECEIVABLE**  
**for the year ended 24 June 1998****For directors' use only**

	<b>Current year £</b>	<b>Tenancy at Will £</b>	<b>Total £</b>
58/62 Newman Street	176,910	-	176,910
63/64 Newman Street	125,000	-	125,000
66/68 Margaret Street	257,850	5,000	262,850
	<hr/>	<hr/>	<hr/>
	559,760	5,000	564,760
	<hr/>	<hr/>	<hr/>

**CELUS HOLDINGS LIMITED****ANALYSIS OF GROSS RENTS RECEIVABLE AND ARREARS  
for the year ended 24 June 1998****For directors' use only**

	<b>Current Annual Rent £</b>	<b>Receivable per accounts £</b>	<b>Cumulative rent arrears £</b>
<b>58/62 Newman Street</b> (now Whitby & Bird; rent free until December 1997)	514,739	176,910	-
<b>63/64 Newman Street</b> (Arena Transmission)	125,000	125,000	-
<b>66/68 Margaret Street</b> Lower ground floor (Simon Ellis Limited)	34,500	34,500	42,000
Ground floor (Braitrim (UK) Limited)	42,500	42,500	-
First Floor (Ocean Marketing Communciations Ltd) (Buro Happold from 28 February 1998)	22,000	{ 16,500 { 5,500	-
Second floor (Argyll Consultancy Ltd)	26,250	26,250	-
Third floor (Vera Productions Limited)	20,000	15,000	-
Fourth floor (Shelley Pinnock)	63,000	69,000	19,998
Fifth floor (Myriad Film & Television) (lease assigned)	48,600	48,600	-
	256,850	257,850	61,998
	896,589	559,760	61,998

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**CELUS HOLDINGS LIMITED**

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**SCHEDULE OF LISTED INVESTMENTS**  
for the year ended 24 June 1998

For directors' use only

Stock	Holding	Historical cost £	Share price £	Market value of holding £
Charter Plc 2p ordinary shares	5,625	14,535	6.34	35,663
Land Securities Plc £1 ordinary shares	100,000	355,429	9.17	917,000
Minorco US \$1.40 ordinary shares	1,125	7,087	7.76	8,730
London Merchant Securities PLC 25p ordinary shares	134,527	96,000	1.34	180,266
25p deferred ordinary shares	40,493	-	0.945	38,266
		<hr/> 473,051 <hr/>		<hr/> 1,179,925 <hr/>