

GRENDON SECURITIES LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1994

Registered Number 118482



GRENDON SECURITIES LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the period from 1 October 1993 to 31 December 1994, the accounting reference date having been changed during the period under review from 30 September to 31 December.

Review of the Business

The Company's activity throughout the period under review was that of making and holding investments.

There have been no changes in these respects since the end of that period.

Disposal of Subsidiary Undertakings

On 20 December 1994, the Company disposed of its interests in all its subsidiary undertakings which were acquired by its immediate parent undertaking, Shield Properties & Investments (Holdings) Limited.

Accounts, Results and Dividends

The Company's retained profit for the period under review amounted to £264,539 (1993: nil) which has been transferred to reserves.

The state of the Company's affairs at the end of the period under review is shown in the accompanying balance sheet.

No dividends were declared or paid during the period under review and the Directors are not recommending the payment of any dividend in respect of that period.

Directors

Messrs P F Doye and J H Williamson served as Directors of the Company throughout the period under review.

No other person was a Director at any time during that period.

Directors' Interests

Neither Director had, at the end of the period under review, any interests in the shares in the Company or in the securities of any other company in the Group of which it is a member, save that Mr J H Williamson had a beneficial interest, at both the beginning and at the end of the period under review, in 35 participating preference shares of Manilsa Limited (in members' voluntary liquidation).

Auditors

Ernst & Young resigned from their position as auditors of the Company on 1 February 1995. Coopers & Lybrand have been appointed in their place by the Directors.

By Order of the Board


P F Doye
Director

24 September 1995

GRENDON SECURITIES LIMITED

DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss, if any, for the period. The financial statements must be prepared in accordance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards.

In addition, the Directors are required:-

- * to adopt suitable accounting policies and then apply them consistently, supported by judgements and estimates that are reasonable and prudent;
- * to prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

GRENDON SECURITIES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GRENDON SECURITIES LIMITED

We have audited the financial statements on pages 4 to 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

~~September~~ 1995
10 October

GRENDON SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT

For the Period 1 October 1993 to 31 December 1994

	<u>Notes</u>	15 mths 1994 £	12 mths 1993 £
Income from interests in group undertakings		805,233	-
Loss on sale of investments in group undertakings		(540,694)	-
Retained profit for the financial period	11	<u>264,539</u>	<u>-</u>

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.


There is no difference between the retained profit for the financial period as stated above and its historical cost equivalent.

GRENDON SECURITIES LIMITED

BALANCE SHEET As At 31 December 1994

	Notes	1994 £	1993 £
Fixed Assets			
Investments in group undertakings		-	547,394
Current Assets			
Debtors	5	728,156	703,316
Investments	6	1	1
Current Liabilities			
Creditors - Amounts falling due within one year	7	-	(787,093)
Net Current Assets/(Liabilities)		<u>728,157</u>	<u>(83,776)</u>
Net Assets		<u>728,157</u>	<u>463,618</u>
Capital and Reserves			
Called up Share Capital	9	885,000	885,000
Share Premium Account	10	1,815,000	1,815,000
Profit and Loss Account	11	(1,971,843)	(2,236,382)
Equity Shareholders' Funds	12	<u>728,157</u>	<u>463,618</u>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 29 September 1995, and signed on its behalf by:-


P F Doye
Director

GRENDON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

1. Accounting Policies

(a) *Basis of Preparation*

These financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable to the United Kingdom.

(b) *Cash Flow Statement*

These financial statements do not contain a cash flow statement by virtue of the exemptions available to the Company within Financial Reporting Standard No. 1. The cash flows of the Company are included in the consolidated cash flow statement which forms part of the consolidated financial statements of the Company's intermediate parent undertaking, Charterhouse plc.

2. Directors' Emoluments

The Directors' emoluments are borne by the immediate parent undertaking, Shield Properties & Investments (Holdings) Limited. No apportionment of costs for services performed by the Directors in relation to the Company has been made by the parent undertaking to Grendon Securities Limited.

3. Auditors' Remuneration

The auditors' remuneration for the current financial period and the previous year has been borne by the immediate parent undertaking.

4. Employees

The Company had no employees during the financial period (1993: nil).

5. Debtors - Amounts Falling Due Within One Year

	1994 £	1993 £
Amounts due from immediate Parent Undertaking	728,156	-
Amounts due from Subsidiary Undertakings	-	703,233
Amounts due from fellow Subsidiary Undertakings	-	83
	<u>728,156</u>	<u>703,316</u>

6. Investments

	1994 £	1993 £
Unlisted investments at cost, less amounts written off	<u>1</u>	<u>1</u>

In the opinion of the Directors, these investments are worth not less than the amount stated.

GRENDON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 1994

7. Creditors - Amounts Falling Due Within One Year

	1994 £	1993 £
Amounts due to immediate Parent Undertaking	-	(735,710)
Amounts due to Subsidiary Undertakings	-	(51,383)
	<u>-</u>	<u>(787,093)</u>

8. Taxation

The Company has losses of £502,000 for the purposes of corporation tax on chargeable gains brought forward from earlier years.

9. Share Capital

	1994 £	1993 £
Authorised 10,000,000 Ordinary Shares of 10p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 8,850,000 Ordinary Shares of 10p each	<u>885,000</u>	<u>885,000</u>

10. Share Premium Account

	1994 £	1993 £
Share Premium Account	<u>1,815,000</u>	<u>1,815,000</u>

11. Profit and Loss Account

	£
Balance brought forward 1 October 1993	(2,236,382)
Retained Profit for the Period	<u>264,539</u>
Balance at 31 December 1994	<u>(1,971,843)</u>

GRENDON SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 1994

12. Reconciliation of Movement in Shareholders' Funds

	£
Shareholders' Funds at 1 October 1992	463,618
Retained Profit for the Year	-
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Shareholders' Funds at 1 October 1993	463,618
Retained Profit for the Period	264,539
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Shareholders' Funds at 31 December 1994	<u>728,157</u>

13. Parent Undertakings

The Company is a wholly owned subsidiary undertaking of Shield Properties & Investments (Holdings) Limited which in turn is a wholly owned subsidiary undertaking of Charterhouse Bank Limited, which is registered in England and Wales and is the parent undertaking of the smallest group of which the Company is a member and for which group accounts are drawn up. Copies of those accounts can be obtained from the Company Secretary, Charterhouse Bank Limited, 1 Paternoster Row, St Paul's, London, EC4M 7DH.

The parent undertaking of the largest group of which the Company is a member and for which group accounts are drawn up is European Corporate Finance Holding SA, the company regarded by the Directors as being the Company's ultimate parent undertaking as at 31 December 1994, which is incorporated in Luxembourg and is directly or indirectly jointly owned by Berliner Handels-und Frankfurter Bank KGaA and Credit Commercial de France SA. Copies of the accounts of European Corporate Finance Holding SA are available from that company at 8, Avenue Marie-Thérèse, L 2132 Luxembourg.