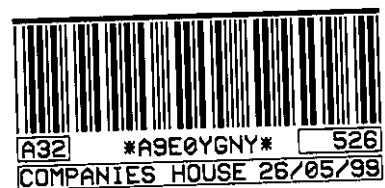


THORNE HOLDINGS LIMITED

ABBREVIATED ACCOUNTS

31 JULY 1998



THORNE HOLDINGS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 1998

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THORNE HOLDINGS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the accounts of the company for the year ended 31 July 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Solomon Hare

SOLOMON HARE
Registered Auditors
Chartered Accountants
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

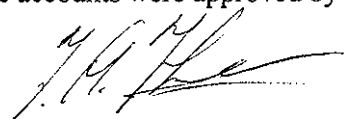
4 May 1999

THORNE HOLDINGS LIMITED**ABBREVIATED BALANCE SHEET****31 JULY 1998**

	Note	1998	1997
		£	£
FIXED ASSETS	2		
Tangible assets		438,782	336,728
Investments		<u>7,928</u>	<u>18,224</u>
		446,710	354,952
CURRENT ASSETS			
Debtors		60,809	36,842
Cash at bank and in hand		<u>4,696</u>	<u>-</u>
		65,505	36,842
CREDITORS: Amounts falling due within one year		<u>(178,451)</u>	<u>(168,501)</u>
NET CURRENT LIABILITIES		(112,946)	(131,659)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>333,764</u>	<u>223,293</u>
CREDITORS: Amounts falling due after more than one year		<u>(50,000)</u>	<u>(51,903)</u>
		<u>283,764</u>	<u>171,390</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	1,000	1,000
Profit and loss account		<u>282,764</u>	<u>170,390</u>
SHAREHOLDERS' FUNDS		<u>283,764</u>	<u>171,390</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the directors on 4 May 1999, and are signed on their behalf by:


T A THORNE

The notes on pages 3 to 5 form part of these accounts.

THORNE HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 1998

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 2% on cost
Computer equipment	- 25% straight line

It is the company's policy to maintain its properties in a continual state of repair and relevant expenditure is charged to the profit and loss account as incurred, therefore, any depreciation is not considered material and no provision has been made. If any permanent diminution in value occurs, full provision will be made.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the Grounds that the company qualifies as a small company.

THORNE HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 1998

2. FIXED ASSETS

	Tangible Fixed Assets £	Investments £	Total £
COST			
At 1 August 1997	358,403	18,224	376,627
Additions	144,378	1,928	146,306
Disposals	(63,903)	(12,224)	(76,127)
At 31 July 1998	<u>438,878</u>	<u>7,928</u>	<u>446,806</u>
DEPRECIATION			
At 1 August 1997	21,675	-	21,675
Charge for year	96	-	96
On disposals	(21,675)	-	(21,675)
At 31 July 1998	<u>96</u>	<u>-</u>	<u>96</u>
NET BOOK VALUE			
At 31 July 1998	<u>438,782</u>	<u>7,928</u>	<u>446,710</u>
At 31 July 1997	<u>336,728</u>	<u>18,224</u>	<u>354,952</u>

3. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

4. SECURITY

The bank loan and overdraft included in creditors due in less than one year of £2,503 (1997:£17,106) are secured by a legal mortgage over the property at 19 West Street, Bristol.

5. CONTINGENCIES

The company is a guarantor in respect of all borrowings made by the group from National Westminster Bank plc. At 31 July 1998 total group borrowings were £36,941 (1997:£54,511).

THORNE HOLDINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 1998

6. RELATED PARTY TRANSACTIONS

The company received rent totalling £28,000 (1997: £18,000) during the year from group companies. Thorne Secure Limited paid £14,000 (1997: £9,000) and P Thorne & Son (Safes and Security Systems) Limited paid £14,000 (1997: £9,000).

The company also received management charges totalling £41,000 (1997: £Nil) during the year from group companies. Thorne Secure Limited paid £25,000 (1997: £Nil) and P Thorne & Son (Safes and Security Systems) Limited paid £16,000 (1997: £Nil).

The company made recharges of insurance to P Thorne & Son (Safes and Security Systems) Limited for £1,840 (1997: £Nil) and Thorne Secure Limited for £1,840 (1997: £Nil).

It also made purchases totalling £382 (1997: £Nil) from P Thorne & Son (Safes and Security Systems) Limited.

At the year end £Nil (1997: £10,761) was owed by P Thorne & Son (Safes and Security Systems) Limited and £41,142 (1997: £Nil) was owed by Thorne Secure Limited. Monies were also owed to these companies at the year end with these amounts being £85,790 (1997: £Nil) and £Nil (1997: £52,098) respectively.

The company also owed £102,000 (1997: £50,000) to the executive pension scheme at the year end by way of loans included in creditors. The pension scheme also owed the company £12,028 (1997: £4,500) by way of a short term loan to the pension fund, repaid shortly after the year end. Both of the directors are beneficiaries of the pension scheme.

7. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is T A Thorne.