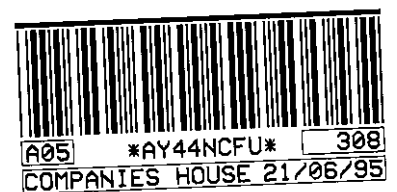


Flowidea Limited

Financial Statements Year Ended 31 December 1994

Registration number: 2463564



Flowidea Limited

CONTENTS

PAGE

Director's Report	1
Statement of Director's Responsibilities	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

Flowidea Limited

1

Report of the director

The director presents his report for the year ended 31 December 1994.

Principal activity

The principal activity of the company is to be an investment holding company and this is likely to remain so for the foreseeable future.

Results and dividends

The profit for the year after taxation amounted to £380,779. Dividends of 300,000 were paid during the year leaving a profit of £80,779 to be transferred to reserves.

Political donations

During the year £5,000 was donated to the North Tayside Conservative Association, £3,000 to the Midland Industrial Council and £20,000 to the Conservative Party.

Director and director's interests

The following director held office throughout the year:

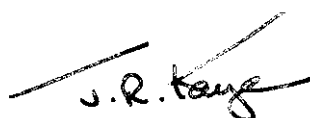
H Angest

H Angest is the beneficial owner of 100% of the company's share capital.

Auditors

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be made at the Annual General Meeting.

By order of the Board



Secretary

18 APR 1995

Statement of director's responsibilities

Company law requires the director 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 those financial statements, the director is 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 departures 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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 auditors
to the members of Flowidea Limited**

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of the director and auditors

As described on page 2, the company's director is 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 the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
London

25 APR 1995

Flowidea Limited

4

Profit and loss account year ended 31 December 1994

	<u>Notes</u>	1994 £	1993 £
Investment income	1	1,105,970	996,720
Bank interest receivable		8,630	23,014
		1,114,600	1,019,734
Interest payable	2	(514,028)	(551,717)
Other operating expenses		(107,407)	(99,221)
Profit on ordinary activities before taxation	3	493,165	368,796
Taxation	5	(112,386)	(85,930)
Profit on ordinary activities after taxation		380,779	282,866
Dividends paid		(300,000)	(400,000)
Retained profit/(loss) for the year	11	80,779	(117,134)

The profit and loss account relates solely to continuing operations.

The company has no recognised gains or losses other than those included in the losses above, and therefore no separate statement of total recognised gains and losses has been presented.

Flowidea Limited

5

Balance sheet at 31 December 1994

	<u>Notes</u>	1994 £	1993 £
Fixed Assets			
Investments	6, 7	7,379,486	7,158,205
Current Assets			
Sundry debtors and prepayments		100	100
Recoverable tax credit on franked investment income		227,009	117,732
Cash at bank		66,197	229,114
		<u>293,306</u>	<u>346,946</u>
Creditors: Amounts falling due within one year	8	<u>(5,555,961)</u>	<u>(3,351,516)</u>
Net Current Liabilities		<u>(5,262,655)</u>	<u>(3,004,570)</u>
Total Assets Less Current Liabilities		2,116,831	4,153,635
Creditors: Amounts falling due after more than one year	9	<u>(1,200,000)</u>	<u>(3,317,583)</u>
		<u>916,831</u>	<u>836,052</u>
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account	11	916,731	835,952
Equity Shareholders' Funds	12	<u>916,831</u>	<u>836,052</u>

The financial statements on pages 4 to 9 were approved by the director on

18 APR 1995



Director

**Notes to the financial statements
year ended 31 December 1994****1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of Accounting

The financial statements have been prepared on the historical cost basis.

Investment Income

Investment income represents gross dividends receivable during the year.

Investments

Investments are stated at the lower of cost and market value.

2 Interest payable

	1994 £	1993 £
On bank overdraft	834	31,101
On bank loans repayable within 5 years, not by instalment	513,194	520,616
	<u>514,028</u>	<u>551,717</u>

3 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Audit fee	<u>2,350</u>	<u>1,750</u>

**Notes to the financial statements
year ended 31 December 1994 (Continued)****4 Director and employees**

The director received no emoluments in the year (1993 - Nil). The company has no employees.

5 Taxation

	1994 £	1993 £
The charge for taxation on profit on ordinary activities for the year comprises:		
Corporation tax at 33%	-	813
Tax attributable to franked investment income	112,386	85,117
	<u>112,386</u>	<u>85,930</u>

6 Investments

	1994 £
At beginning of year - at cost	7,158,205
additions - at cost	221,281
	<u>7,379,486</u>
At end of year - at cost	

At 31 December 1994 investments comprise:

	1994 £
Listed investments	7,370,825
Unlisted investments	8,661
	<u>7,379,486</u>

The stock exchange value of the listed investments at 31 December 1994 was £28,462,579.

Flowidea Limited

8

Notes to the financial statements year ended 31 December 1994 (Continued)

7 Significant interests

<u>Name</u>	<u>Country of Incorporation</u>	<u>Class of Capital</u>	<u>% Class Held</u>	<u>% Equity Held</u>	<u>Latest Avail. Accounts</u>	<u>Share Capital & Reserves £000s</u>	<u>Profit after tax for Year £000s</u>
Secure Trust Group plc	England	Ordinary	38.5	38.5	31.12.94	12,353	6,004

8 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loans	5,450,000	3,304,273
Bank overdraft	50,469	-
Sundry creditors and accruals	55,492	47,243
	5,555,961	3,351,516

The company's bank loans are secured by lien over 3,953,503 of the company's shares in Secure Trust Group plc.

The bank loans are repayable within one year. The director is of the opinion that the company will be able to negotiate the necessary funds to replace the loans. The director notes that the stock exchange value of the company's listed investments at 31 December 1994 was £28,462,579.

9 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Bank loans from one to two years not repayable by instalments	1,200,000	3,317,583

The company's bank loans are secured by lien over 1,000,000 of the company's shares in Secure Trust Group plc.

Flowidea Limited

9

Notes to the financial statements year ended 31 December 1994 (Continued)

10 Called up share capital

	1994 £	1993 £
Authorised 1,000 ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>
Called up and fully paid 100 ordinary shares at £1 each	<u>100</u>	<u>100</u>

11 Profit and loss account

	1994 £	1993 £
At beginning of year	835,952	953,086
Retained profit/(loss) for the year	<u>80,779</u>	<u>(117,134)</u>
At end of year	<u>916,731</u>	<u>835,952</u>

12 Reconciliation of movement in shareholders' funds

	1994 £	1993 £
Opening shareholders' funds	836,052	953,186
Profit for the year	380,779	282,866
Dividends	<u>(300,000)</u>	<u>(400,000)</u>
Closing shareholders' funds	<u>916,831</u>	<u>836,052</u>

13 Guarantee

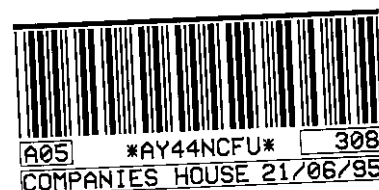
The company has guaranteed the liabilities of Rora Investments Limited up to a maximum of £1,000,000.

The guarantee has been made on an arms length basis and the company is entitled to a ½% commission fee. Mr H Angest is the first beneficiary of the trust which owns Rora Investments Limited.

Flowidea Limited

Financial Statements Year Ended 31 December 1994

Registration number: 2463564



Flowidea Limited

CONTENTS

PAGE

Director's Report	1
Statement of Director's Responsibilities	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

Flowidea Limited

1

Report of the director

The director presents his report for the year ended 31 December 1994.

Principal activity

The principal activity of the company is to be an investment holding company and this is likely to remain so for the foreseeable future.

Results and dividends

The profit for the year after taxation amounted to £380,779. Dividends of 300,000 were paid during the year leaving a profit of £80,779 to be transferred to reserves.

Political donations

During the year £5,000 was donated to the North Tayside Conservative Association, £3,000 to the Midland Industrial Council and £20,000 to the Conservative Party.

Director and director's interests

The following director held office throughout the year:

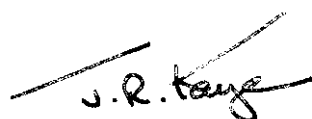
H Angest

H Angest is the beneficial owner of 100% of the company's share capital.

Auditors

A resolution to re-appoint Coopers & Lybrand as the company's auditors will be made at the Annual General Meeting.

By order of the Board



Secretary

18 APR 1995

Statement of director's responsibilities

Company law requires the director 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 those financial statements, the director is 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 departures 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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 auditors
to the members of Flowidea Limited**

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of the director and auditors

As described on page 2, the company's director is 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 the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
London

25 APR 1995

Flowidea Limited

4

Profit and loss account year ended 31 December 1994

	<u>Notes</u>	1994 £	1993 £
Investment income	1	1,105,970	996,720
Bank interest receivable		8,630	23,014
		<u>1,114,600</u>	<u>1,019,734</u>
Interest payable	2	(514,028)	(551,717)
Other operating expenses		<u>(107,407)</u>	<u>(99,221)</u>
Profit on ordinary activities before taxation	3	493,165	368,796
Taxation	5	<u>(112,386)</u>	<u>(85,930)</u>
Profit on ordinary activities after taxation		380,779	282,866
Dividends paid		<u>(300,000)</u>	<u>(400,000)</u>
Retained profit/(loss) for the year	11	<u>80,779</u>	<u>(117,134)</u>

The profit and loss account relates solely to continuing operations.

The company has no recognised gains or losses other than those included in the losses above, and therefore no separate statement of total recognised gains and losses has been presented.

Flowidea Limited

5

Balance sheet at 31 December 1994

	<u>Notes</u>	1994 £	1993 £
Fixed Assets			
Investments	6, 7	7,379,486	7,158,205
Current Assets			
Sundry debtors and prepayments		100	100
Recoverable tax credit on franked investment income		227,009	117,732
Cash at bank		66,197	229,114
		<u>293,306</u>	<u>346,946</u>
Creditors: Amounts falling due within one year	8	<u>(5,555,961)</u>	<u>(3,351,516)</u>
Net Current Liabilities		<u>(5,262,655)</u>	<u>(3,004,570)</u>
Total Assets Less Current Liabilities		<u>2,116,831</u>	<u>4,153,635</u>
Creditors: Amounts falling due after more than one year	9	<u>(1,200,000)</u>	<u>(3,317,583)</u>
		<u>916,831</u>	<u>836,052</u>
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account	11	916,731	835,952
Equity Shareholders' Funds	12	<u>916,831</u>	<u>836,052</u>

The financial statements on pages 4 to 9 were approved by the director on

18 APR 1995



Director

**Notes to the financial statements
year ended 31 December 1994****1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of Accounting

The financial statements have been prepared on the historical cost basis.

Investment Income

Investment income represents gross dividends receivable during the year.

Investments

Investments are stated at the lower of cost and market value.

2 Interest payable

	1994 £	1993 £
On bank overdraft	834	31,101
On bank loans repayable within 5 years, not by instalment	513,194	520,616
	<u>514,028</u>	<u>551,717</u>

3 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Audit fee	<u>2,350</u>	<u>1,750</u>

**Notes to the financial statements
year ended 31 December 1994 (Continued)****4 Director and employees**

The director received no emoluments in the year (1993 - Nil). The company has no employees.

5 Taxation

	1994 £	1993 £
The charge for taxation on profit on ordinary activities for the year comprises:		
Corporation tax at 33%	-	813
Tax attributable to franked investment income	112,386	85,117
	<u>112,386</u>	<u>85,930</u>

6 Investments

	1994 £
At beginning of year - at cost	7,158,205
additions - at cost	221,281
	<u>7,379,486</u>
At end of year - at cost	

At 31 December 1994 investments comprise:

	1994 £
Listed investments	7,370,825
Unlisted investments	8,661
	<u>7,379,486</u>

The stock exchange value of the listed investments at 31 December 1994 was £28,462,579.

Flowidea Limited

8

Notes to the financial statements year ended 31 December 1994 (Continued)

7 Significant interests

<u>Name</u>	<u>Country of Incorporation</u>	<u>Class of Capital</u>	<u>% Class Held</u>	<u>% Equity Held</u>	<u>Latest Avail. Accounts</u>	<u>Share Capital & Reserves £000s</u>	<u>Profit after tax for Year £000s</u>
Secure Trust Group plc	England	Ordinary	38.5	38.5	31.12.94	12,353	6,004

8 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank loans	5,450,000	3,304,273
Bank overdraft	50,469	-
Sundry creditors and accruals	55,492	47,243
	<u>5,555,961</u>	<u>3,351,516</u>

The company's bank loans are secured by lien over 3,953,503 of the company's shares in Secure Trust Group plc.

The bank loans are repayable within one year. The director is of the opinion that the company will be able to negotiate the necessary funds to replace the loans. The director notes that the stock exchange value of the company's listed investments at 31 December 1994 was £28,462,579.

9 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Bank loans from one to two years not repayable by instalments	<u>1,200,000</u>	<u>3,317,583</u>

The company's bank loans are secured by lien over 1,000,000 of the company's shares in Secure Trust Group plc.

Flowidea Limited

9

Notes to the financial statements year ended 31 December 1994 (Continued)

10 Called up share capital

	1994 £	1993 £
Authorised 1,000 ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>
Called up and fully paid 100 ordinary shares at £1 each	<u>100</u>	<u>100</u>

11 Profit and loss account

	1994 £	1993 £
At beginning of year	835,952	953,086
Retained profit/(loss) for the year	<u>80,779</u>	<u>(117,134)</u>
At end of year	<u>916,731</u>	<u>835,952</u>

12 Reconciliation of movement in shareholders' funds

	1994 £	1993 £
Opening shareholders' funds	836,052	953,186
Profit for the year	380,779	282,866
Dividends	<u>(300,000)</u>	<u>(400,000)</u>
Closing shareholders' funds	<u>916,831</u>	<u>836,052</u>

13 Guarantee

The company has guaranteed the liabilities of Rora Investments Limited up to a maximum of £1,000,000.

The guarantee has been made on an arms length basis and the company is entitled to a ½% commission fee. Mr H Angest is the first beneficiary of the trust which owns Rora Investments Limited.