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Flowidea Limited

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Flowidea Limited

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Report of the director

The director presents his report for the year ended 31 December 1995.

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 £388,326. Dividends of £400,000 were paid during the year and a further £200,000 of dividends were proposed, leaving a deficit of £211,674 to be transferred from reserves.

Political donations

During the year £500 was donated to the North Tayside Conservative Association and £5,000 to the Midland Industrial Council.

Director and director's interests

The following director held office throughout the year:

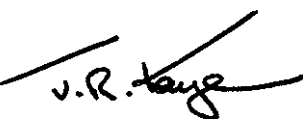
H Angest

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

A handwritten signature in black ink, appearing to read 'J.R. Angest', is written over a horizontal line.

Secretary

30 APR 1996

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 to prevent and detect fraud and other irregularities.

**Report of the auditors
to the members of Flowidea Limited**

We have audited the financial statements on pages 4 to 10.

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 1995 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
London

30th April 1996

Flowidea Limited

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**Profit and loss account
year ended 31 December 1995**

	Notes	1995 £	1994 £
Investment income	1	1,231,154	1,105,970
Interest receivable		20,832	8,630
		<u>1,251,986</u>	<u>1,114,600</u>
Interest payable	2	(631,339)	(514,028)
Other operating expenses		<u>(120,162)</u>	<u>(107,407)</u>
Profit on ordinary activities before taxation	3	500,485	493,165
Taxation	5	<u>(112,159)</u>	<u>(112,386)</u>
Profit on ordinary activities after taxation		388,326	380,779
Dividends paid		(400,000)	(300,000)
Dividends proposed		<u>(200,000)</u>	<u>-</u>
Retained (deficit)/profit for the year	13	<u>(211,674)</u>	<u>80,779</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 results above, and therefore no separate statement of total recognised gains and losses has been presented.

Flowidea Limited

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Balance sheet at 31 December 1995

	Notes	1995 £	1994 £
Fixed Assets			
Shares in subsidiary	6	100	-
Other investments	7,8	8,141,178	7,379,486
		<u>8,141,278</u>	<u>7,379,486</u>
Current Assets			
Debtors	9	-	100
Recoverable tax credit on franked investment income		132,581	227,009
Cash at bank		74,782	66,197
		<u>207,363</u>	<u>293,306</u>
Creditors: Amounts falling due within one year	10	<u>(5,618,484)</u>	<u>(5,555,961)</u>
Net Current Liabilities		<u>(5,411,121)</u>	<u>(5,262,655)</u>
Total Assets Less Current Liabilities		2,730,157	2,116,831
Creditors: Amounts falling due after more than one year	11	<u>(2,025,000)</u>	<u>(1,200,000)</u>
		<u>705,157</u>	<u>916,831</u>
Capital and Reserves			
Called up share capital	12	100	100
Profit and loss account	13	705,057	916,731
		<u>705,157</u>	<u>916,831</u>
Equity Shareholders' Funds	14	<u>705,157</u>	<u>916,831</u>

The financial statements on pages 4 to 10 were approved by the director on 30 APR 1996



Director

**Notes to the financial statements
year ended 31 December 1995****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.

The company has a dormant subsidiary, Flowtrade Limited. The financial statements contain information about Flowidea Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 229(5) of The Companies Act 1985 from the requirement to prepare consolidated financial statements as the director considers the subsidiary may be excluded from consolidation for the reason that the amounts involved are insignificant.

Investment income

Apart from a guarantee fee of £5,000 received during the year (1994: Nil), investment income represents gross dividends receivable during the year.

Investments

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

2 Interest payable

	1995	1994
	£	£
On bank overdraft	671	834
On bank loans repayable within 5 years, not by instalment	630,668	513,194
	631,339	514,028

**Notes to the financial statements
year ended 31 December 1995 (Continued)****3 Profit on ordinary activities before taxation**

	1995 £	1994 £
Profit on ordinary activities before taxation is stated after charging:		
Audit fee	<u>2,497</u>	<u>2,350</u>

4 Director and employees

The director received no emoluments in the year (1994 - Nil). The company has no employees.

5 Taxation

	1995 £	1994 £
The charge for taxation on profit on ordinary activities for the year comprises:		
Tax attributable to franked investment income	<u>112,159</u>	<u>112,386</u>

6 Shares in subsidiary

The company owns 100% of the ordinary share capital of Flowtrade Limited, a company registered in England and Wales.

Notes to the financial statements year ended 31 December 1995 (Continued)

7 Other investments

	1995 £
At beginning of year - at cost	7,379,486
Additions - at cost	761,692
At end of year - at cost	<u>8,141,178</u>

At 31 December 1995 all investments were listed.

The stock exchange value of the listed investments at 31 December 1995 was £30,953,710.

8 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	39.5	39.5	31.12.95	13,015	6,469

9 Debtors

	1995 £	1994 £
Other debtors	-	100
	<u>-</u>	<u>100</u>
	<u>-</u>	<u>100</u>

Notes to the financial statements year ended 31 December 1995 (Continued)

10 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loans	5,350,000	5,450,000
Bank overdraft	-	50,469
Sundry creditors and accruals	68,484	55,492
Dividends payable	200,000	-
	<u>5,618,484</u>	<u>5,555,961</u>

The company's bank loans are secured by lien over 3,616,771 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 1995 was £30,953,710.

11 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Bank loans payable:		
between one year and two years	250,000	1,200,000
between two and five years	1,775,000	-
	<u>2,025,000</u>	<u>1,200,000</u>

The company's bank loans are secured by lien over 1,714,010 of the company's shares in Secure Trust Group plc.

Notes to the financial statements year ended 31 December 1995 (Continued)

12 Called up share capital

	1995 £	1994 £
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>

13 Profit and loss account

	1995 £	1994 £
At beginning of year	916,731	835,952
Retained (deficit)/profit for the year	<u>(211,674)</u>	<u>80,779</u>
At end of year	<u>705,057</u>	<u>916,731</u>

14 Reconciliation of movement in shareholders' funds

	1995 £	1994 £
Opening shareholders' funds	916,831	836,052
Profit for the year after taxation	388,326	380,779
Dividends	<u>(600,000)</u>	<u>(300,000)</u>
Closing shareholders' funds	<u>705,157</u>	<u>916,831</u>

15 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.