

AESSEAL PLC
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004
COMPANY NUMBER 2101607



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AESSEAL PLC

DIRECTORS AT 31 DECEMBER 2004

H Conger - Chairman
C J Rea OBE
G W Bridge
R Rea
M O Williams
J Wilkinson
A Roddis
R S Cook
D C Owen

SECRETARY

G W Bridge

REGISTERED OFFICE

Global Technology Centre, Mill Close, Bradmarsh Business Park, Rotherham S60 1BZ

AUDITORS

Roddis Taylor Robinson, Chartered Accountants, 275 Glossop Road, Sheffield S10 2HB

BANKERS

HSBC Bank plc, PO Box 50, 17 Church Street, Sheffield S1 1HH

AESSEAL PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2004

STATEMENT OF 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 those financial statements, the Directors are 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ACCOUNTS

The Directors present their report and accounts for the year ended 31 December 2004.

ACTIVITIES

The principal activities of the Company are the design, development, manufacture, sale and support of mechanical seals, engineered sealing systems and related products.

BUSINESS REVIEW

The Directors consider the results for the year and the position at 31 December 2004 to be satisfactory.

RESULTS FOR THE YEAR

Profit on ordinary activities before taxation amounted to £1966405 (2003 £1801108) and after taxation £1413004 (2003 £1242081).

DIVIDENDS

No interim dividend was paid in the year (2003 £Nil). The Directors do not recommend payment of a final dividend for the year ended 31 December 2004.

FIXED ASSETS

Details of changes in tangible fixed assets are given in note 7 to the accounts.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company continues to be committed to investment in research and development in all its areas of activity. This covers new products and processes and innovation in areas such as information technology.

CHARITABLE CONTRIBUTIONS

The Company gave £6650 (2003 £6275) for charitable purposes in the year.

AESSEAL PLC

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

EMPLOYEES

The Company organises employee communication and involvement both centrally and locally. All employees are encouraged to understand the Company's business and especially the needs of the customers it serves.

The Company gives consideration to the possibility of employing disabled persons wherever such opportunities exist. Those employees who become disabled are given the opportunity and assistance to continue in their employment or to be trained for other more suitable positions.

POLICY ON PAYMENT OF CREDITORS

It is Company policy to follow a standard payment practice. The terms of the payment practice can be obtained from the Company's registered address which is Global Technology Centre, Mill Close, Bradmarsh Business Park, Rotherham S60 1BZ.

Terms of payment are agreed with suppliers, in line with the standard payment practice, and are adhered to.

The number of creditor days at the year end was 46 days (2003 46 days).

DIRECTORS

The members of the Board during the year were:

H Conger
C J Rea OBE
G W Bridge
R Rea
M O Williams
R J Smith (resigned 15 April 2004)
J Wilkinson
A Roddis
R S Cook
D C Owen

AUDITORS

Roddis Taylor Robinson, Chartered Accountants, offer themselves for re-appointment in accordance with Section 385 Companies Act 1985.

On behalf of the Board



C J Rea OBE

26 July 2005

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AESSEAL PLC

We have audited the financial statements of AESSEAL plc for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by the law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with the United Kingdom 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 as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Roddis Taylor Robinson
Chartered Accountants
Registered Auditors

26 July 2005

AESSEAL PLC**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2004**

<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
2 TURNOVER		
Continuing operations	25622756	23367466
Change in stocks of finished goods	713550	127234
Other operating income	120000	200000
	<u>26456306</u>	<u>23694700</u>
21 Raw materials and consumables	(10724817)	(9413325)
Staff costs	(8718518)	(7844958)
Depreciation	(1765449)	(1349763)
Other operating charges	(3354330)	(3114703)
	<u>(24563114)</u>	<u>(21722749)</u>
OPERATING PROFIT		
Continuing operations	1893192	1971951
3 Net interest receivable/(payable) and similar charges	73213	(170843)
4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1966405	1801108
5 Tax on profit on ordinary activities	(553401)	(559027)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	1413004	1242081
Dividends	-	-
16 PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	<u>1413004</u>	<u>1242081</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**FOR THE YEAR ENDED 31 DECEMBER 2004**

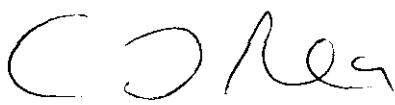
The Company had no recognised gains or losses other than the profit for the year of £1413004 (2003 £1242081).

AESSEAL PLC

BALANCE SHEET AT 31 DECEMBER 2004

<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
FIXED ASSETS		
6 Intangible assets	320482	-
7 Tangible assets	7012602	5850978
CURRENT ASSETS		
8 Stocks	7357374	6299762
9 Debtors	8119624	6672648
Cash at bank and in hand	291021	114690
10 CREDITORS (amounts due within one year)	15768019 (8603708)	13087100 (8661411)
NET CURRENT ASSETS	7164311	4425689
TOTAL ASSETS LESS CURRENT LIABILITIES	14497395	10276667
11 CREDITORS (amounts due after one year)	(9046845)	(6254121)
13 PROVISIONS FOR LIABILITIES AND CHARGES	(450000)	(435000)
	5000550	3587546
CAPITAL AND RESERVES		
15 Called up share capital	50000	50000
16 Profit and loss account	4950550	3537546
17 SHAREHOLDERS' FUND	5000550	3587546

Signed on behalf of the Board



 C J Rea OBE

AESSEAL PLC

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

a) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. There were no material departures from those standards.

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement as it is a wholly owned Subsidiary undertaking of AES Engineering Limited.

b) TURNOVER

Turnover represents the amounts received or receivable for goods and services provided to customers during the year excluding value added tax.

c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated at rates intended to write off the cost of the fixed assets over the expected useful lives of the assets concerned. The principal annual rates are:

Plant and machinery	10% straight line
Fixtures and fittings	15% straight line
Computer equipment	20% straight line
Test equipment and tools	20% straight line
Motor vehicles	25% straight line
Short leasehold property	Equal instalments over period of lease

d) INTANGIBLE FIXED ASSETS

Research and development of a revenue nature is written off in the year in which it is incurred.

Other development expenditure relating to specific projects is capitalised and carried forward and will be amortised over the periods expected to benefit from it.

e) STOCKS AND WORK IN PROGRESS

Stock and work in progress are stated at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further cost to completion and selling costs. Provision is made for slow moving and obsolete stock.

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES (CONTINUED)

f) DEFERRED TAXATION

Deferred taxation is provided on 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.

g) OPERATING CONTRIBUTIONS

Operating contributions are credited to the profit and loss account on a receivable basis.

h) PENSION COSTS

The Company operates defined contribution pension schemes. The charge in the profit and loss account for pension costs is the amount of the Company's contributions payable to the pension schemes in the year.

i) FOREIGN CURRENCY

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in a foreign currency have been translated into the local currency at the year end rates. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

j) LEASING

Assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Operating lease rentals are charged to the profit and loss account as they are incurred.

2. SEGMENT INFORMATION

The Company's turnover and profit before taxation are derived from its principal activities.

As permitted by the Companies Act and SSAP 25 the Directors have not disclosed segmental information as they consider it would be seriously prejudicial to the Company's interests.

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

3. NET INTEREST RECEIVABLE/(PAYABLE) AND SIMILAR CHARGES

	<u>2004</u> £	<u>2003</u> £
Interest receivable	78726	45088
Foreign currency exchange gains (net)	199021	20194
Bank overdrafts	(130803)	(192237)
Finance charges – hire purchase obligations and finance leases	(71701)	(43888)
Other interest	(2030)	-
	<u>73213</u>	<u>(170843)</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2004</u> £	<u>2003</u> £
After charging:		
Directors' emoluments (see note 20)	801519	780237
Depreciation – owned assets	1470064	1179288
Depreciation – assets held under hire purchase contracts	318844	167466
Auditors' remuneration including expenses		
Audit	17450	14750
Non Audit services	7175	7100
Operating leases – property	65703	65282
Research and development costs	2946957	2530576
Loss on disposal of fixed assets	-	3009
	<u> </u>	<u> </u>
After crediting:		
Foreign currency exchange gains (net)	199021	20194
Profit on disposal of fixed assets	23459	-
Operating contributions receivable	-	80000
	<u> </u>	<u> </u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax charge:

The tax charge on the profit on ordinary activities for the year was as follows:

	<u>2004</u> £	<u>2003</u> £
Current tax:		
UK Corporation tax on profits of the period	557000	473784
Adjustments in respect of previous periods	(18599)	35243
	<u>538401</u>	<u>509027</u>
Deferred tax:		
Origination and reversal of timing differences	15000	50000
	<u>553401</u>	<u>559027</u>
Tax on profits on ordinary activities	<u>553401</u>	<u>559027</u>

AESSEAL PLC**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2004****5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

Factors affecting the tax charge:

The tax charged on the profit for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<u>2004</u> £	<u>2003</u> £
Profit on ordinary activities before tax	<u>1966405</u>	<u>1801108</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 30%)	589922	540332
Effects of:		
Expenses not deductible/expenses allowable for tax purposes	18820	19283
Capital allowances in excess of depreciation for the period	(16182)	(37253)
Origination and reversal of other timing differences	1130	(29578)
Other reliefs	(36690)	(19000)
(Over)/under provision in prior year	(18599)	35243
Current tax charge for period	<u>538401</u>	<u>509027</u>

6. INTANGIBLE FIXED ASSETS

	Deferred development expenditure £
Cost:	
At 1 January 2004	-
Additions	<u>320482</u>
At 31 December 2004	<u>320482</u>
Net Book Value:	
At 31 December 2004	<u>320482</u>

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

7. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Plant, Fixtures and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1 January 2004	49747	10624875	907128	11581750
Additions	983	2807996	169796	2978775
Disposals	-	(322219)	(132076)	(454295)
At 31 December 2004	<u>50730</u>	<u>13110652</u>	<u>944848</u>	<u>14106230</u>
Depreciation:				
At 1 January 2004	34150	5245824	450798	5730772
Provision for the year	9456	1336236	211761	1557453
Impairment losses	-	231455	-	231455
Disposals	-	(299746)	(126306)	(426052)
At 31 December 2004	<u>43606</u>	<u>6513769</u>	<u>536253</u>	<u>7093628</u>
Net book value:				
At 31 December 2004	<u>7124</u>	<u>6596883</u>	<u>408595</u>	<u>7012602</u>
At 31 December 2003	<u>15597</u>	<u>5379051</u>	<u>456330</u>	<u>5850978</u>

The net book value of land and buildings comprises:

	<u>2004</u>	<u>2003</u>
	£	£
Short leasehold	<u>7124</u>	<u>15597</u>

The cost of depreciable assets included in land and buildings at 31 December 2004 was £50730 (2003 £49747).

The net book value of tangible fixed assets includes an amount of £2164790 (2003 £990363) in respect of assets held under hire purchase contracts or finance leases.

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

8. STOCKS

	<u>2004</u> £	<u>2003</u> £
Raw materials and work in progress	1151554	807492
Finished goods and goods for resale	6205820	5492270
	<u>7357374</u>	<u>6299762</u>

9. DEBTORS

	<u>2004</u> £	<u>2003</u> £
Trade debtors	3015151	2592349
Amounts owed by Group undertakings	4751064	3806795
Other debtors	129076	63849
Prepayments and accrued income	224333	209655
	<u>8119624</u>	<u>6672648</u>

10. CREDITORS (AMOUNTS DUE WITHIN ONE YEAR)

	<u>2004</u> £	<u>2003</u> £
Bank overdrafts	4120231	5420734
Obligations under finance leases and hire purchase contracts	500674	252083
Trade creditors	2149588	1833276
Amounts owed to Group undertakings	480578	254284
Other creditors	7799	9674
Corporate tax payable	210204	240987
Other taxes and social security	211968	201856
Accruals and deferred income	922666	448517
	<u>8603708</u>	<u>8661411</u>

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

11. CREDITORS (AMOUNTS DUE AFTER ONE YEAR)

	<u>2004</u>	<u>2003</u>
	£	£
Obligations under finance leases and hire purchase contracts	1210405	452309
Amounts owed to Group undertakings	7836440	5801812
	<u>9046845</u>	<u>6254121</u>

12. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	<u>2004</u>	<u>2003</u>
	£	£
Obligations under finance leases and hire purchase contracts	1711079	704392
Due within one year (included in current liabilities)	<u>(500674)</u>	<u>(252083)</u>
Repayable between two and five years	<u>1210405</u>	<u>452309</u>

The obligations under finance leases and hire purchase contracts are secured on certain tangible fixed assets of the Company.

13. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u>
	£
At 1 January 2004	435000
Transfer from profit and loss account	15000
At 31 December 2004	<u>450000</u>

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

14. DEFERRED TAXATION

The balance at 31 December 2004 is made up as follows:

	<u>2004</u> £	<u>2003</u> £
Timing differences:		
Accelerated capital allowances	453500	437000
Other timing differences	(3500)	(2000)
	<u>450000</u>	<u>435000</u>

15. CALLED UP SHARE CAPITAL

	<u>2004</u> £	<u>2003</u> £
Authorised:		
50000 ordinary shares of £1 each	<u>50000</u>	<u>50000</u>
Allotted and fully paid:		
50000 ordinary shares of £1 each	<u>50000</u>	<u>50000</u>

16. RESERVES

	<u>Profit and Loss Account</u> £
At 1 January 2004	3537546
Retained profit for the year	1413004
	<u>4950550</u>
At 31 December 2004	<u>4950550</u>

AESSEAL PLC**NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2004****17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>2004</u> £	<u>2003</u> £
Equity interests:		
Profit for the year and net increase in shareholders' funds	1413004	1242081
Opening shareholders' funds	3587546	2345465
Closing shareholders' funds	<u>5000550</u>	<u>3587546</u>

18. CAPITAL COMMITMENTS

Commitments for capital expenditure at the year end were as follows:

	<u>2004</u> £	<u>2003</u> £
Authorised and contracted for	<u>142800</u>	<u>725000</u>

19. LEASING COMMITMENTS

At 31 December 2004 the Company had annual commitments under non-cancellable operating leases as detailed below:

	<u>2004</u> £	<u>2003</u> £
Land and buildings		
Operating leases which expire:		
Within one year	13804	-
Within two to five years	21560	47500
After five years	-	10560

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

20. INFORMATION REGARDING DIRECTORS

Share interests:

One Director had a non-beneficial interest in shares at 31 December 2004. The details of the interests in the shares of the Company at that date and corresponding details at 31 December 2003 are as follows:

	<u>2004</u>	<u>2003</u>
C J Rea	<u>1</u>	<u>1</u>

Directors' interests in Parent undertaking:

The interest of C J Rea, who is a Director of the Parent Company, in the shares of AES Engineering Limited are shown in that Company's accounts. Other Directors have the following interests in the Parent undertaking:

	<u>2004</u>	<u>2003</u>
Ordinary shares of £1 each		
R Rea	13258	13258
M O Williams	<u>11075</u>	<u>11075</u>
"B" ordinary shares of £1 each		
A Roddis	222	222
J Wilkinson	<u>166</u>	<u>166</u>

Remuneration:

	<u>2004</u> £	<u>2003</u> £
Directors' emoluments amounted to:		
Emoluments including benefits in kind	738272	717184
Money purchase pension scheme contributions	<u>63247</u>	<u>63053</u>
	<u>801519</u>	<u>780237</u>

	<u>2004</u> £	<u>2003</u> £
Highest paid Director:		
Emoluments including benefits in kind	158368	148855
Money purchase pension scheme contributions	<u>18750</u>	<u>17250</u>
	<u>177118</u>	<u>166105</u>

There are six Directors who are members of money purchase pension schemes (2003 six).

Financial transactions:

During the year the Company traded with AES Engineering Limited and Subsidiaries of AES Engineering Limited. All transactions were carried out on a normal commercial basis.

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

21. PARTICULARS OF EMPLOYEES

The average number of persons employed by the Company (including Directors) during the year was:

Category:	<u>2004</u>	<u>2003</u>
Sales engineers	54	54
Management and administration	100	88
Production and stores	181	174
	<u>335</u>	<u>316</u>

Their total remuneration was:	<u>2004</u> £	<u>2003</u> £
Wages and salaries	7865354	7076541
Social security costs	739617	649986
Other pension costs	113547	118431
	<u>8718518</u>	<u>7844958</u>

22. PENSION COSTS

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds.

Contributions payable to the schemes by the Company are included in the pension cost charge in respect of the year and amounted to £113547 (2003 £118431).

23. RELATED PARTIES

a) Controlling Parties

The Company is under the control of AES Engineering Limited. The ultimate controlling party is considered to be Mr C J Rea, by virtue of his shareholding in that Company.

b) Related Party Transactions

Advantage has been taken of the exemption in FRS8 from disclosing transactions with AES Engineering Limited and other Group Companies in the AES Group as the Company is a 100% Subsidiary undertaking of AES Engineering Limited. The Company did not enter into any material transactions with the Directors during the year.

AESSEAL PLC

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

24. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

AES Engineering Limited is the Company's smallest and largest Parent undertaking and ultimate Holding Company.

Copies of the accounts of AES Engineering Limited can be obtained from the Registered Office at Global Technology Centre, Mill Close, Bradmarsh Business Park, Rotherham S60 1BZ, United Kingdom.

25. COMMITMENTS ON BEHALF OF GROUP COMPANIES

Along with the other Group undertakings based in the United Kingdom, the Company has given security in favour of HSBC Bank plc against Group borrowings by way of an Unlimited Multilateral Company guarantee to secure all liabilities of each other, and a debenture giving fixed and floating charges over assets of the Company.

26. APPROVAL OF ACCOUNTS

These accounts were approved at a Directors' meeting held on 26 July 2005