

Eurofriction Limited

Company Number 1131161



Directors' Report for the Year Ended 31st December 1995

Activities

The principal activity of the Company is the manufacture of friction materials as an agent for T&N plc and will continue to be so for the foreseeable future.

Directors

The following served as Directors during (and, unless otherwise indicated, throughout) the year:-

J G Anderson
J-P Laffaille, appointed 16/03/95
B M Lindsay
G Walker

Directors' Interests

The interests, all beneficial, of the Directors in the share capital of T&N plc comprise:-

				Ordinary Shares					
				31.12.95				31.12.94	
J G Anderson				-				-	
J-P Laffaille				-				-	
B M Lindsay				-				-	
G Walker				1,936				1,936	
				1,936				1,936	
	1.1.95	Number of options		31.12.95	Exercise Price	Market price on date exercised	Date of Grant	Date from which exercisable	Expiry Date
		Granted during year	Exercised during year						
J G Anderson	11,158	-	-	11,158	201.6	-	19.9.89	19.9.92	19.9.1999
	10,760	-	-	10,760	171.9	-	8.4.91	11.4.94	10.4.2001
	15,685	-	-	15,685	111.4	-	19.3.92	19.3.95	18.3.2002
	7,842	-	-	7,842	172.1	-	15.4.93	15.4.96	14.4.2003
	45,445	-	-	45,445					
J-P Laffaille	16,739	-	-	16,739	182.8	-	26.4.89	26.4.92	25.4.1999
	21,521	-	-	21,521	171.9	-	11.4.91	11.4.94	10.4.2001
	20,913	-	-	20,913	111.4	-	19.3.92	19.3.95	18.3.2002
	7,842	-	-	7,842	172.1	-	15.4.93	15.4.96	14.4.2003
	20,333	-	-	20,333	226.2	-	12.4.94	12.4.97	11.4.2004
	25,416	-	-	25,416	207.5	-	6.10.94	6.10.97	5.10.2004
	-	20,000	-	20,000	159.0	-	10.5.95	10.5.98	9.5.2005
	112,764	20,000	-	132,764					
B M Lindsay	11,158	-	-	11,158	184.5	-	18.4.89	18.4.92	17.4.1999
	21,521	-	-	21,521	171.9	-	8.4.91	11.4.94	10.4.2001
	26,142	-	26,142	-	111.4	159.0	19.3.92	19.3.95	18.3.2002
	12,548	-	-	12,548	172.1	-	15.4.93	15.4.96	14.4.2003
	20,333	-	-	20,333	226.2	-	12.4.94	12.4.97	11.4.2004
	25,416	-	-	25,416	207.5	-	6.10.94	6.10.97	5.10.2004
	-	20,000	-	20,000	159.0	-	10.5.95	10.5.98	9.5.2005
	117,118	20,000	26,142	110,976					
G Walker	20,333	-	-	20,333	226.2	-	12.4.94	12.4.97	11.4.2004
	15,249	-	-	15,249	207.5	-	6.10.94	6.10.97	5.10.2004
	-	10,000	-	10,000	159.0	-	10.5.95	10.5.98	9.5.2005
	35,762	10,000	-	45,762					

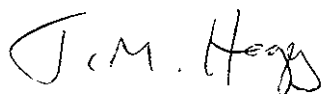
(1) These options have been granted under the Savings-Related Scheme. All other options have been granted under the Executive Scheme.

Eurofriction Limited

Directors' Report for the Year Ended 31st December 1995 (continued)

None of the directors have any other registered interests in the shares of the Company or any other company in the T&N Group.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'J. M. Hogg'.

J M Hogg
Secretary

18th October 1996

EUROFRICTION LIMITED

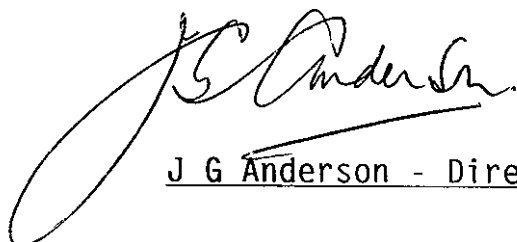
BALANCE SHEET

AS AT 31ST DECEMBER 1995

	Notes	1995 £000	1994 £000
<u>Creditors: due after more than one year</u>	4	(3)	(3)
Total liabilities		(3)	(3)
<u>Capital and Reserves</u>			
Called up share capital	5	10	10
Profit & loss account		(13)	(13)
Shareholder's funds - equity		(3)	(3)

The Company was dormant throughout the financial period.

The financial statements on pages 4 to 5 were approved by the Board on 18th October 1996 and were signed on its behalf by:-

 21/10/96
J G Anderson - Director

EUROFRICTION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires 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;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * make judgements and estimates that are reasonable and prudent;
- * 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

EUROFRICTION LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with applicable Accounting Standards.

2. PROFIT AND LOSS ACCOUNT

The company has traded during the year only as agent for T&N plc. It has not traded on its own account, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss.

3. DIRECTORS

The directors have not received any remuneration for services to the company during the period (1994: £nil).

4. CREDITORS: amounts due after more than one year

	1995 £000	1994 £000
Loan from parent undertaking	<u>3</u>	<u>3</u>

5. CALLED UP SHARE CAPITAL

Authorised, issued and fully paid 10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>
--	-----------	-----------

6. ULTIMATE PARENT COMPANY

The Company's immediate and ultimate parent company is T&N plc which is registered in England and Wales. Copies of the T&N plc Annual Report and Accounts can be obtained from the Company Secretary at Bowdon House, Ashburton Road West, Trafford Park, Manchester, M17 1RA.