

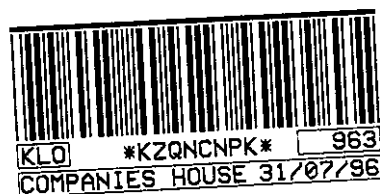
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Company No: 2342183

**ADAMAS INDUSTRIES PLC**

**Financial Statements  
Year to 31st December 1995**

**TAYLOR, VINEY & MARLOW**  
Chartered Accountants  
Registered Auditors  
1422/24 London Road  
Leigh on Sea  
Essex  
SS9 2UL



**Directors' report  
for the year ended 31 December 1995**

The directors present their report and the audited financial statements for the year ended 31 December 1995.

**Principal activity**

The principal activity of the company is that of an investment holding company.

**Results**

The company did not trade and was dormant throughout the year.

**Review of business**

Following the sale of the major investments during the year ended 31 August 1991, the directors are considering its future activities.

**Dividends**

In view of the retained losses, no dividend is permitted and the directors, therefore, cannot recommend one.

**Directors**

The directors of the company during the year were:

J A F Walker  
D J Pett

**Directors' interests in shares of the company**

The directors do not have any disclosable interest in the shares of the company.

**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;

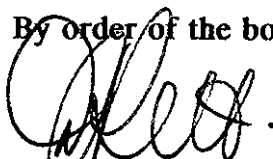
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

A resolution to reappoint the auditors, Taylor, Viney & Marlow, will be proposed at the annual general meeting.

By order of the board



D J Pett  
Secretary  
29 July 1996

**Report of the auditors to the members of  
Adamas Industries plc**

We have audited the financial statements on pages 4 to 8.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the 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.

  
**TAYLOR, VINEY & MARLOW**  
Chartered Accountants  
Registered Auditors  
1422/24, London Road,  
Leigh on Sea  
Essex  
SS9 2UL

29 July 1996

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

	Notes	1995 £	1994 £
Interest receivable		-	462
Interest payable		-	(285)
		<hr/>	<hr/>
		-	177
Administration expenses		-	(177)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation - continuing activities</b>	4	-	-
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
<b>Result for the year</b>		-	-
		<hr/>	<hr/>

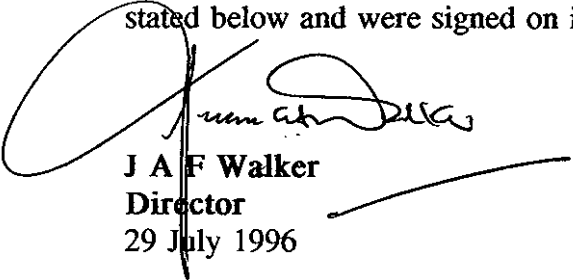
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

Movements on reserves are set out in note 11.

**Balance sheet**  
at 31 December 1995

	Notes	1995 £	1994 £
<b>Current assets</b>			
Cash at bank and in hand		5	3542
		<u>5</u>	<u>3542</u>
<b>Creditors: amounts falling due within one year</b>	7	(476)	(513)
<b>Net current (liabilities)/assets</b>		<u>(471)</u>	<u>3029</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(2911907)	(2915407)
<b>Net liabilities</b>		<u>(2912378)</u>	<u>(2912378)</u>
<b>Capital and reserves</b>			
Called up share capital	9	12500	12500
Profit and loss account	10	(2924878)	(2924878)
<b>Shareholders' funds</b>	11	<u>(2912378)</u>	<u>(2912378)</u>

The financial statements on pages 4 to 8 were approved by the board of directors on the date stated below and were signed on its behalf by:



**J A F Walker**  
Director  
29 July 1996

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

**1 Basis of preparing the financial statements - going concern**

As set out in the directors' report, the directors are responsible for preparing financial statements that give a true and fair view. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The immediate parent company, Alfa International Limited has given a written indication that it will not call the inter company loan for repayment within one year from the balance sheet date.

**2 Principal accounting policies**

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

**Basis of accounting**

The financial statements have been prepared in accordance with the historical cost convention.

**3 Cash flow statement**

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirements to publish a cash flow statement.

**4 Loss on ordinary activities before taxation**

	1995	1994
	£	£
Loss on ordinary activities before taxation is stated after charging:		
Auditors; remuneration - audit services	-	850
Interest payable on loan notes	-	285
	<hr/>	<hr/>

**5 Staff costs**

There was no remuneration paid. There were two employees (including executive directors) during 1995 (1994: two employees).

**6 Taxation**

There is no liability to taxation.

**7 Creditors: amounts falling due within one year**

	1995 £	1994 £
Accruals	476	513
	<u>          </u>	<u>          </u>

**8 Creditors: amounts falling due after more than one year**

	1995 £	1994 £
Due to parent company	2911907	2915407
	<u>          </u>	<u>          </u>

This amount is due to the immediate parent company, Alfa International Limited. It is non interest bearing and has no fixed terms of repayment other than it not being repayable within one year.

**9 Called up share capital**

	1995 £	1994 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and partly paid</b>		
50,000 ordinary shares of £1 each	12,500	12,500
	<u>          </u>	<u>          </u>



**10 Profit and loss account**

	1995 £	1994 £
At 1 January 1995	(2924878)	(2924878)
Result for the period	-	-
<b>At 31 December 1995</b>	<u>(2924878)</u>	<u>(2924878)</u>

**11 Reconciliation of movements in shareholders' funds**

	1995 £	1994 £
Result for the period	-	-
Opening shareholders' funds at 1 January 1995	(2912378)	(2912378)
<b>Closing shareholders' funds at 31st December 1995</b>	<u>(2912378)</u>	<u>(2912378)</u>

**12 Ultimate parent company**

The Company is a wholly owned subsidiary of Alfa International Limited, a company incorporated in England. The ultimate parent company was Retriva Kredit AB, a company incorporated in Sweden for the period to 13 October 1995. As from that date the ultimate parent company is Abacus (Nominees) Limited, a company registered in Jersey.