

T&N EXPORT SERVICES LIMITED

ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 1995

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Company Number: 532743



T&N Export Services Limited

Company Number 532743

Directors' Report for the year ended 31 December 1995

Activities

The Company acts, and will continue to act, as a selling company for the T&N Group's exports from the UK and manages the currency transactions arising therefrom.

Directors

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

S P Arnold		
M A Bell	resigned	22.05.95
D W Finnett	appointed	11.12.95
D A Harding	appointed	04.05.95
M E C Topham	appointed	11.12.95
J C Towle	resigned	11.12.95

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
S P Arnold	-	-
D W Finnett	-	-
D A Harding	5,000	-
M E C Topham	-	-

		Number of Options								
		Granted during yr	Exercised during yr							
S P Arnold	(1)	12,905	-	12,905	101.7	-	6.05.92	1.07.97	31.12.1997	
	(1)	3,267	-	3,267	158.4	-	11.05.93	1.07.98	31.12.1998	
		16,172	-	16,172						
D W Finnett		10,166	-	10,166	226.2	-	12.04.94	12.04.97	11.04.2004	
		20,333	-	20,333	207.5	-	6.10.94	6.10.97	5.10.2004	
		-	20,000	20,000	159.0	-	10.05.95	10.05.98	9.05.2005	
		30,499	20,000	50,499						
D A Harding		-	100,000	100,000	159.0	-	10.05.95	10.05.98	9.05.2005	
M E C Topham		-	-	-						

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

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

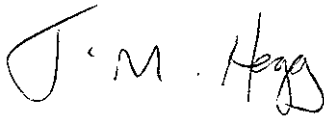
T&N Export Services Limited

Directors' Report for the year ended 31 December 1995

Results and Dividends

The profit for the year after taxation was £1,299,764. An interim dividend of £1,250,000 was declared on 12 December 1995, of which £750,000 was paid prior to the year end.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'J. M. Hogg'. The signature is written in a cursive style with a large initial 'J' and a distinct 'H'.

Miss J M Hogg
Secretary

T&N Export Services Limited

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 for that period. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 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.

T&N Export Services Limited

**Auditors report to the members of
T&N Export Services Limited**

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 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 affairs of the Company as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

[Signature]

11th September, 1996

KPMG
Chartered Accountants
Registered Auditors
London

T&N EXPORT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>Notes</u>	<u>Continuing operations 1995 £</u>	<u>Continuing operations 1994 £</u>
TURNOVER	2	315,442,262	284,180,682
Cost of Sales		<u>(315,442,262)</u>	<u>(284,180,682)</u>
GROSS PROFIT		-	-
Administrative expenses		(147,248)	(148,054)
Other operating income		<u>1,372,873</u>	<u>2,545,206</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES		1,225,625	2,397,152
Net financing income/(charges)	3	<u>71,452</u>	<u>(4,246)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,297,077	2,392,906
Tax on profit on ordinary activities	6	<u>2,687</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,299,764	2,392,906
Dividends - paid		(750,000)	(1,200,000)
- proposed		<u>(500,000)</u>	<u>(1,200,000)</u>
TRANSFER TO/(FROM) RESERVES	12	<u><u>49,764</u></u>	<u><u>(7,094)</u></u>

The Company has no recognised gains or losses other than the profit for the period.

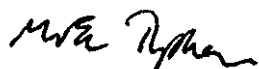
There is no difference between the result as disclosed above and the result given by an unmodified historical cost basis.

T&N EXPORT SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
CURRENT ASSETS			
Debtors	7	56,407,496	64,940,164
Cash at bank and in hand		7,521,766	2,049,101
		<u>63,929,262</u>	<u>66,989,265</u>
CREDITORS: amounts falling due within one year	8	(45,387,760)	(46,997,527)
NET CURRENT ASSETS		18,541,502	19,991,738
CREDITORS: amounts falling due after more than one year	9	(16,700,100)	(18,200,100)
NET ASSETS		<u>1,841,402</u>	<u>1,791,638</u>
CAPITAL AND RESERVES			
Called up share capital	10	100,000	100,000
Profit and loss account	12	1,741,402	1,691,638
Shareholders funds - equity		<u>1,841,402</u>	<u>1,791,638</u>

The accounts on pages 5 to 11 were approved
by the Board of Directors on 4 September 1996
and were signed on its behalf by:-



M E C TOPHAM) Director

T&N EXPORT SERVICES LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
Net cash inflow from operating activities	13(a)	7,346,611	6,407,268
RETURNS ON INVESTMENT & SERVICING OF FINANCE			
Interest received		85,695	49,265
Interest paid		(14,243)	(53,511)
Dividends paid		<u>(1,950,000)</u>	<u>(1,200,000)</u>
Net cash outflow from returns on investment & servicing of finance		(1,878,548)	(1,204,246)
TAXATION			
UK tax credit/(paid)		2,687	(28,765)
Net cash inflow before financing		<u>5,470,750</u>	<u>5,174,257</u>
Increase in cash and cash equivalents	13(b)	<u>5,470,750</u>	<u>5,174,257</u>

T&N EXPORT SERVICES 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 and under the historical cost convention.

(b) TURNOVER

Turnover represents the value of goods and services, excluding sales taxes, invoiced to customers during the year.

(c) DEFERRED TAXATION

Deferred taxation is recognised in the accounts only to the extent that it is probable that it will be payable in the foreseeable future.

(d) TRANSLATION OF FOREIGN CURRENCIES

Assets and liabilities in foreign currencies including forward exchange contracts are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the Profit and Loss account and are included as other operating income.

2. ANALYSIS OF TURNOVER

The geographical analysis of turnover is as follows:-

	1995 <u>£M</u>	1994 <u>£M</u>
Continental Europe	220	191
North America	38	32
Other countries	57	61
	<u>315</u>	<u>284</u>

3. NET FINANCE CHARGES

	1995 £	1994 £
Interest payable on bank loans, overdrafts and other loans repayable within 5 years	(14,243)	(53,511)
Other interest receivable	85,695	49,265
	<u>71,452</u>	<u>(4,246)</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit before taxation is stated after (charging):-

	1995 £	1994 £
Directors' remuneration	NIL	NIL
Auditors' remuneration	(7,500)	(7,500)

5. DIRECTORS AND EMPLOYEES

None of the directors of the Company received any emoluments in respect of their services as directors of the Company (1994: NIL).

There are no employees of the Company.

6. TAXATION

The taxation credit (1994 charge) based on the results for the period is made up as follows:-

	1995 £	1994 £
Over provision previous year	2,687	0
	<u>2,687</u>	<u>0</u>

The charge for the year has been reduced by £428,000 (1994 £788,103) as a result of Group Relief received for which no consideration will pass.

7. DEBTORS

	1995 £	1994 £
Trade Debtors	47,783,029	55,420,401
Amounts owed by parent undertaking or fellow subsidiary undertakings	5,472,132	6,357,423
Other Debtors	3,152,335	3,162,340
	<u>56,407,496</u>	<u>64,940,164</u>

8. CREDITORS: Amounts falling due within one year

	1995 £	1994 £
Bank loans and overdrafts	1,646,019	1,644,104
Amounts owed to parent undertaking or fellow subsidiary undertakings	43,222,563	44,141,745
Other creditors	19,178	11,678
Proposed dividend	500,000	1,200,000
	<u>45,387,760</u>	<u>46,997,527</u>

9. CREDITORS: Amounts falling due after more than one year

	1995 £	1994 £
Amounts owed to parent undertaking	<u>16,700,100</u>	<u>18,200,100</u>

10. SHARE CAPITAL

	1995 £	1994 £
Authorised: Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid: Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial period	1,299,764	2,392,906
Dividends	(1,250,000)	(2,400,000)
Net addition/(reduction) to shareholders' funds	49,764	(7,094)
Opening shareholders' funds	1,791,638	1,798,732
Closing shareholders' funds	<u>1,841,402</u>	<u>1,791,638</u>

12. RESERVES

	Profit & Loss Account £
At 1 January 1995	1,691,638
Transfer to profit and loss account	49,764
At 31 December 1995	<u>1,741,402</u>

13. NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	1,225,625	2,397,152
Decrease/(Increase) in debtors	8,532,668	(7,905,068)
(Decrease)/Increase in creditors	(2,411,682)	11,915,184
Net cash inflow from operating activities	<u>7,346,611</u>	<u>6,407,268</u>

(b) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	£ <u>Cash</u>	£ <u>Overdraft</u>	£ <u>Net</u>
Balance at 1 January 1994	3,894,159	(8,663,419)	(4,769,260)
Net cash inflow/(outflow)	<u>(1,845,058)</u>	<u>7,019,315</u>	<u>5,174,257</u>
Balance at 31 December 1994	2,049,101	(1,644,104)	404,997
Net cash inflow/(outflow)	<u>5,472,665</u>	<u>(1,915)</u>	<u>5,470,750</u>
Balance at 31 December 1995	<u>7,521,766</u>	<u>(1,646,019)</u>	<u>5,875,747</u>

14. ULTIMATE PARENT COMPANY

The ultimate parent company is T&N plc, a company registered in England and Wales. Copies of the Annual Report and Accounts of T&N plc can be obtained from the Company Secretary, Bowdon House, Ashburton Road West, Trafford Park, Manchester, M17 1RA.

15. GUARANTEES AND CONTINGENT LIABILITIES

The Company, its ultimate parent company, and certain of its fellow subsidiaries in the UK have entered into composite cross-guarantees in relation to the facilities provided by its principal UK bankers.