

T&N EXPORT SERVICES LIMITED

ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 1994

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Company Number: 532743



T&N Export Services Limited

Company Number 532743

Directors' Report for the Year Ended 31 December 1994

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  
J C Towle

Directors' Interests

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

T&N plc £1 ordinary shares

	31 December 1994		1 January 1994 (or on appointment)	
	Shares	Options	Shares	Options
S P Arnold	-	16,172	-	15,835
M A Bell	14,236	149,080	12,500	165,547
J C Towle	-	18,436	-	18,159

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

Results and Dividends

The profit for the year after taxation was £2,392,906. The Directors recommend a final dividend of £1,200,000 be paid. An interim dividend of £1,200,000 was paid on 30 November 1994.

T&N Export Services Limited

Directors' Report for the Year Ended 31 December 1994 (continued)

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

Pursuant to Section 386 of the Companies Act 1985, it has been resolved that the Company is no longer obliged to re-appoint its auditors KPMG on an annual basis.

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 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 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.

*By Order of the Board*



M A Bell  
Director

T&N EXPORT SERVICES LIMITED

AUDITORS REPORT TO THE MEMBERS OF  
T&N EXPORT SERVICES LIMITED

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

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are 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 affairs of the Company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the requirements of the Companies Act 1985.

*KPMG*

KPMG  
Chartered Accountants  
Registered Auditors  
London

*28th March, 1995*

**T&N EXPORT SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>Notes</u>	<u>Continuing operations 1994 £</u>	<u>Continuing operations 1993 £</u>
TURNOVER	2	284,180,682	256,816,249
Cost of Sales		(284,180,682)	(256,816,249)
GROSS PROFIT		-	-
Administrative expenses		(148,054)	(140,752)
Other operating income		2,545,206	501,630
OPERATING PROFIT ON ORDINARY ACTIVITIES		2,397,152	360,878
Net financing charges	3	(4,246)	(68,958)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	2,392,906	291,920
Taxation	6	-	(28,765)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,392,906	263,155
Dividends - paid		(1,200,000)	-
- proposed		(1,200,000)	
TRANSFER (FROM)/TO RESERVES	12	(7,094)	263,155
		=====	=====

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 1994

	<u>Notes</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
<b>CURRENT ASSETS</b>			
Debtors	7	64,940,164	57,035,096
Cash at Bank and in hand		2,049,101	3,894,159
		<hr/> 66,989,265	<hr/> 60,929,255
CREDITORS : amounts falling due within one year	8	(46,997,527)	(39,930,423)
		<hr/>	<hr/>
NET CURRENT ASSETS		19,991,738	20,998,832
CREDITORS : amounts falling due after more than one year	9	(18,200,100)	(19,200,100)
		<hr/>	<hr/>
NET ASSETS		1,791,638	1,798,732
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	100,000	100,000
Profit and loss account	12	1,691,638	1,698,732
		<hr/> 1,791,638	<hr/> 1,798,732

The accounts on pages 4 to 10 were approved by the Board of Directors on 7 March 1995 and were signed on its behalf by:-

M A BELL ..... ) Director

**T&N EXPORT SERVICES LIMITED**

**CASH FLOW STATEMENT**

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
Net cash inflow/(outflow) from operating activities	13(a)	6,407,268	(3,918,146)
RETURNS ON INVESTMENT & SERVICING OF FINANCE			
Interest received		49,265	9,491
Interest paid		(53,511)	(78,449)
Dividends paid		(1,200,000)	-
Net cash outflow from returns on investment & servicing of finance		(1,204,246)	(68,958)
TAXATION			
UK tax paid		(28,765)	(244,013)
Net cash inflow/(outflow) before financing		5,174,257	(4,231,117)
		=====	=====
FINANCING			
Increase in cash and cash equivalents	13(b)	5,174,257	(4,231,117)
		=====	=====

T&N EXPORT SERVICES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The accounts have been prepared in accordance with applicable Accounting Standards and Practice and on a going concern basis.

(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:-

	<u>1994</u>	<u>1993</u>
	<u>£M</u>	<u>£M</u>
Continental Europe	191	163
North America	32	30
Other countries	61	64
	<u>284</u>	<u>257</u>
	===	===



3. NET FINANCE CHARGES

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Interest payable on bank loans, overdrafts and other loans repayable within 5 years	(53,511)	(78,449)
Other interest receivable	49,265	9,491
	<u>(4,246)</u>	<u>(68,958)</u>
	=====	=====

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit before taxation is stated after (charging):-

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
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 his services as a director of the Company (1993: NIL).

There are no employees of the Company.

6. TAXATION

The taxation charge (1993 charge) based on the results for the period is made up as follows:-

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
UK Corporation tax at 33% (1993 33%)	NIL	28,765
	=====	=====

The charge for the year has been reduced by £788,103 (1993 £ NIL) as a result of Group Relief and by £ NIL (1993 £67,360) as a result of ACT surrenders received for which no consideration will pass.

7. DEBTORS

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Trade Debtors	55,420,401	47,055,059
Amounts owed by parent undertaking or fellow subsidiary undertakings	6,357,423	6,970,590
Other Debtors	3,162,340	3,009,447
	<u>64,940,164</u>	<u>57,035,096</u>
	=====	=====

8. <u>CREDITORS: Amounts falling due within one year</u>			<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Bank loans and overdrafts			1,644,104	8,663,419
Amounts owed to parent undertaking or fellow subsidiary undertakings			44,141,745	31,226,561
UK corporation tax			-	28,765
Other creditors			11,678	11,678
Proposed dividend			1,200,000	-
			<u>46,997,527</u> =====	<u>39,930,423</u> =====
9. <u>CREDITORS: Amounts falling due after more than one year</u>			<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Amounts owed to parent undertaking			<u>18,200,100</u> =====	<u>19,200,100</u> =====
10. <u>SHARE CAPITAL</u>			<u>1994</u>	<u>1993</u>
Authorised:				
Ordinary shares of £1 each			500,000 =====	500,000 =====
Issued and fully paid:				
Ordinary shares of £1 each			100,000 =====	100,000 =====
11. <u>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</u>			<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Profit for the financial period			2,392,906	263,155
Dividends			(2,400,000)	-
Net (reduction)/addition to shareholders' funds			<u>(7,094)</u>	<u>263,155</u>
Opening shareholders' funds			1,798,732	1,535,577
Closing shareholders' funds			<u>1,791,638</u> =====	<u>1,798,732</u> =====
12. <u>RESERVES</u>			<u>Profit &amp; loss account</u> <u>£</u>	
At 1 January 1994			1,698,732	
Transfer from profit and loss account			<u>(7,094)</u>	
At 31 December 1994			<u>1,691,638</u> =====	

13. NOTES TO CASH FLOW STATEMENT

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

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Operating profit	2,397,152	360,878
(Increase) in debtors	(7,905,068)	(540,255)
Increase/(decrease) in creditors	11,915,184	(3,738,769)
Net cash inflow/(outflow) from operating activities	6,407,268	(3,918,146)
	=====	=====

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

	<u>£</u> <u>Cash</u>	<u>£</u> <u>Overdraft</u>	<u>£</u> <u>Net</u>
Balance at 1 January 1993	1,837,197	(2,375,340)	(538,143)
Net cash inflow/(outflow)	2,056,962	(6,288,079)	(4,231,117)
Balance at 31 December 1993	3,894,159	(8,663,419)	(4,769,260)
Net cash inflow/(outflow)	(1,845,058)	7,019,315	5,174,257
Balance at 31 December 1994	2,049,101	(1,644,104)	404,997
	=====	=====	=====

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

All assets of the Company are charged, by way of a floating charge, in favour of the Trustees of the mortgage debenture stocks of T&N plc.

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.