

Contact 100 Limited

Company Number 65025

Directors' Report for the Year Ended 31st December 1996

Activities

The Company manufactured and sold springs and tools as agent for T&N plc until the Company was sold in June 1996. The company no longer trades.

Directors' Interests

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

R W Arnold, resigned 3/6/96
H F Baines, appointed 28/5/96
J H Devonald, appointed 28/5/96
D W Finnett, appointed 28/5/96
I A Fisher, resigned 3/6/96
M J Forrest, resigned 3/6/96
M Freeman, resigned 3/6/96
D S Hallam, resigned 3/6/96
A J P Sabberwal, resigned 31/12/96



Directors' Interests

The interests, all beneficial, in the share capital of T&N plc, of those who were Directors at 31 December 1996 comprise:-

								Ordinary Shares	
								31.12.96	31.12.95
H F Baines								-	-
J H Devonald								-	-
D W Finnett								-	-
								-	-
		Number of options							
		Granted	Exercised			Exercise	Market	Date	Expiry
		during year	during year			Price	price	from which	Date
		1.1.96	31.12.96				on date	exercisable	Expiry
							exercised		Date
H F Baines	15,685	-	-	15,685	172.1	-	15.4.93	15.4.96	14.4.2003
	25,416	-	-	25,416	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
	50,000	-	-	50,000	159.0	-	10.5.95	10.5.98	9.5.2005
	(1) 5,077	-	-	5,077	135.9	-	1.7.95	1.7.2000	31.12.2000
		121,594	-	121,594					
J H Devonald	10,457	-	-	10,457	127.1	-	11.9.92	11.9.95	11.9.2002
	12,548	-	-	12,548	172.1	-	15.4.93	15.4.96	14.4.2003
	10,166	-	-	10,166	226.2	-	12.4.94	12.4.97	11.4.2004
	20,000	-	-	20,000	159.0	-	10.5.95	10.5.98	9.5.2005
	-	10,000	-	10,000	134.5	-	2.10.96	2.10.99	1.10.2006
		53,171	10,000	63,171					
D W Finnett	10,166	-	-	10,166	226.2	-	12.4.94	12.4.97	11.4.2004
	20,333	-	-	20,333	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
	-	10,000	-	10,000	134.5	-	2.10.96	2.10.99	1.10.2006
	50,499	10,000	-	60,499					

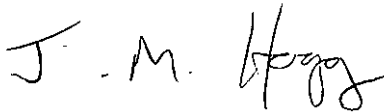
(1) These options have been granted under the Savings-Related Scheme. All other options have been granted under the Executive Scheme.

Contact 100 Limited

Directors' Report for the Year Ended 31st December 1996

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', written in a cursive style.

30.10.97

J M Hogg
Secretary

CONTACT 100 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 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; and
- * 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.

AUDITORS' REPORT TO THE MEMBERS OF CONTACT 100 LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3, 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.

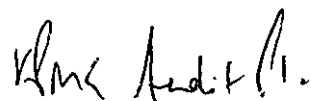
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, 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 1996 and of its result for the year ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

30 October 1997

CONTACT 100 LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1996

	Note	1996 £000	1995 £000
Dividends			
Proposed on preference shares		(2)	(2)
		<hr/>	<hr/>
Transfer from reserves	9	(2)	(2)
		<hr/>	<hr/>

The Company has no recognised gains or losses for the year.

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

CONTACT 100 LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1996

	Note	1996		1995	
		£000	£000	£000	£000
Fixed assets					
Investments	5		3,276		3,276
Creditors: amounts falling due within one year	6	<u>(15)</u>		<u>(13)</u>	
Net current liabilities			<u>(15)</u>		<u>(13)</u>
Total assets less current liabilities			3,261		3,263
Creditors: amounts falling due after more than one year	7		(1,391)		(1,391)
Net assets			<u>1,870</u>		<u>1,872</u>
Capital and reserves					
Called up share capital	8		1,482		1,482
Profit and loss account	9		388		390
Shareholder's funds			<u>1,870</u>		<u>1,872</u>
Shareholder's funds comprise					
Equity interest			400		402
Non equity interests			1,470		1,470
			<u>1,870</u>		<u>1,872</u>

These financial statements were approved by the board of directors on 30 October 1997 and were signed on its behalf by:


D-W Finnett
Director

CONTACT 100 LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement by virtue of Financial Reporting Standard 1, as it is a wholly owned subsidiary of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

Group accounts

The Company is exempt under s228 of the Companies Act 1985 from preparing group accounts as it is an intermediate holding company wholly owned by AE plc, registered in England and Wales. These financial statements present information about Contact 100 Limited as an individual undertaking and not about its group.

2. Profit and loss account

The Company has not traded during the year and consequently has made neither a trading profit nor a trading loss.

3. Directors

The directors have not received any remuneration for services to the Company during the year (1995: £nil).

Details of directors' share options are given in the directors' report.

4. Employees

The Company had no employees during the year ended 31 December 1996 (1995: Nil).

CONTACT 100 LIMITED

Notes (continued)

5. Fixed asset investments

	Shares in subsidiary undertakings	Loan to ultimate parent undertaking	Total
	£000	£000	£000
At January 1996	1,564	1,712	3,276
	<hr/>	<hr/>	<hr/>
At 31 December 1996	1,564	1,712	3,276
	<hr/>	<hr/>	<hr/>

The Company's subsidiaries at 31 December 1996 were:

T&N Shelf Fifteen Limited
Amber Supervision Limited
Glacier Limited
Bentley-Harris Limited
Glacier RPB Limited
T&N Shelf Sixteen Limited
FHE Technology Limited

The investments represent ordinary shares in wholly owned subsidiaries which are non-trading and registered in England and Wales.

In the opinion of the directors, the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

6. Creditors: amounts falling due within one year

	1996 £000	1995 £000
Proposed dividend	15	13
	<hr/>	<hr/>

CONTACT 100 LIMITED

Notes (continued)

7. Creditors: amounts falling due after more than one year

	1996 £000	1995 £000
Loan from fellow subsidiary undertakings (repayable after five years)	1,391	1,391

Amounts owed to subsidiary undertakings are not subject to interest and no repayment schedule has been specified.

8. Called up share capital

	1996 £000	1995 £000
<i>Authorised</i>		
1,200,000 ordinary shares of 1p each	12	12
30,000 6% cumulative preference shares of £1 each	30	30
1,440,000 deferred shares of £1 each	1,440	1,440
718,000 unclassified shares of £1 each	718	718
	<hr/> 2,200 <hr/>	<hr/> 2,200 <hr/>
<i>Allotted, called up and fully paid</i>		
1,200,000 ordinary shares of 1p each	12	12
30,000 6% cumulative preference shares of £1 each	30	30
1,440,000 deferred shares of £1 each	1,440	1,440
	<hr/> 1,482 <hr/>	<hr/> 1,482 <hr/>

At the year end, there were arrears of the dividend on the issued cumulative shares amounting to £14,400 (1995: £12,600) being the dividends due for the years 1989 to 1996 inclusive.

The holder of the 6% cumulative preference shares are entitled to a fixed cumulative dividend at the rate of 6% per annum. These shares are not redeemable. On a winding up these shareholders are entitled to £1 per share together with the accrued dividends thereon before any payment in respect of other shares. Holder of cumulative preference shares have no right to vote either in person or by proxy at any general meeting of the Company by virtue of their holding of such cumulative preference shares.

CONTACT 100 LIMITED

Notes (continued)

The deferred shares are eligible to a dividend as the directors may determine or recommend (after the sum of £10,000,000 has been distributed by way of dividend to the holders of the ordinary shares in each financial year). These shares are not redeemable. In the event of a winding up these shareholders have no entitlements. Holders of deferred shares have no right to vote either in person or by proxy at any general meeting of the Company by virtue of their holding of such deferred shares.

9. Reconciliation of movement in Shareholder's funds

	Share capital	Profit and loss account	Total
	£000	£000	£000
Opening Shareholder's funds	1,482	390	1,872
Dividend proposed		(2)	(2)
	_____	_____	_____
Closing Shareholder's funds	1,482	388	1,870
	_____	_____	_____

10. Ultimate parent company

The Company's immediate parent company is AE plc and the ultimate parent company is T&N plc. Both are registered in England and Wales. Copies of the T&N plc annual report and accounts can be obtained from the company secretary at The Manchester International Office Centre, Styal Road, Manchester M22 5TN.