

COMPANIES HOUSE

NEOSID GROUP LIMITED

Company number 309140

DIRECTORS' REPORT AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1994



NEOSID GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Results and dividends

The profit for the year after taxation was £795,587 (1993 £71,233).

Dividends amounting to £850,000 representing 134p per share have been declared and paid in the year leaving £54,413 of loss retained in the business.

Activities and review of the business

The company is a holding company whose principal subsidiaries are mainly engaged in the manufacture and supply of magnets and magnetic and plastic components for the electronics and other related industries. The company's own trading activity is the administration of property in Australia.

The results for the year are shown in the profit and loss account on page 3.

Fixed assets

Movements in the company's fixed assets are shown in note 4 on page 7.

Directors

The directors of the company during the year were as follows:

Mr J W Newman
Mr N D Shipp
Mr M R Eke (appointed 13 September 1994)
Mr M G Leigh (appointed 13 September 1994)

None of the directors had any interest in the shares of the company.

The beneficial interests of each director in the shares of the ultimate parent undertaking are noted below:

	25p Ordinary shares			
	31 December 1994		25 December 1993	
	Shares	Options	Shares	Options
M G Leigh	64,403	81,849	64,403	77,380

NEOSID GROUP LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors (continued)

Options	Exercisable on or after	Subscription price P
31,083	8.6.92	81.073
15,541	22.5.93	73.995
15,541	3.5.94	84.292
10,489	25.11.95	125.488
4,725	18.11.96	219.342
4,470	9.11.97	232.000

With the exception of the share options exercisable on or after 9 November 1997, the options and shareholdings set out above have been adjusted to take account of the capitalisation issue in October 1994 to ordinary shareholders of TT Group PLC.

The beneficial interests of Messrs Newman, Shipp and Eke are disclosed in the financial statements of TT Group PLC since they are also directors of that company.

Statement of directors' responsibilities for preparing the financial statements

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.


The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditors

Grant Thornton have expressed their willingness to continue in office and, in accordance with Section 385 of the Companies Act 1985, a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD


M G Leigh
Secretary
13 April 1995

Registered office:
Clive House
12-18 Queens Road
Weybridge
Surrey
KT13 9XB

NEOSID GROUP LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £	1993 £
Turnover		20,332	103,195
Cost of sales		<u>(24,741)</u>	<u>(1,962)</u>
Gross (loss)/profit		(4,409)	101,233
Dividends receivable		<u>750,000</u>	<u>-</u>
Profit on ordinary activities before taxation	1	745,591	101,233
Taxation	2	<u>49,996</u>	<u>(30,000)</u>
Profit on ordinary activities after taxation		795,587	71,233
Dividends			
Interim of 134p per ordinary share		<u>850,000</u>	<u>-</u>
Retained (loss)/profit for the year	11	<u><u>(54,413)</u></u>	<u><u>71,233</u></u>

The above results all arise from continuing activities.

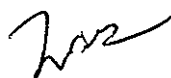
NEOSID GROUP LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994 £	1993 £
Fixed assets			
Intangible fixed assets	3	1	1
Tangible fixed assets	4	383,192	352,279
Investments	5	<u>1,386,185</u>	<u>1,386,285</u>
		<u>1,769,378</u>	<u>1,738,565</u>
Current assets			
Debtors	6	67,253	1,679,531
Creditors: amounts falling due within one year	7	<u>-</u>	<u>859,921</u>
Net current assets		<u>67,253</u>	<u>819,610</u>
Total assets less current liabilities		1,836,631	2,558,175
Creditors: amounts falling due after more than one year	8	629,792	1,300,000
Provisions for liabilities and charges	9	<u>-</u>	<u>38,777</u>
		<u>1,206,839</u>	<u>1,219,398</u>
Capital and reserves			
Called up share capital	10	671,660	671,660
Share premium account	11	210,462	210,462
Revaluation reserve	11	291,869	264,330
Profit and loss account	11	<u>32,848</u>	<u>72,946</u>
Shareholders' funds	12	<u>1,206,839</u>	<u>1,219,398</u>

The financial statements were approved by the Board of Directors on 13 April 1995.

J W Newman



Directors

M G Leigh



NEOSID GROUP LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 1994

	1994 £	1993 £
Profit for the year	795,587	71,233
Currency differences on foreign currency net assets	<u>41,854</u>	<u>(113)</u>
Total recognised gains and losses for the year	<u>837,441</u>	<u>71,120</u>

NEOSID GROUP LIMITED

ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The company is a wholly owned subsidiary of TT Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of TT Group PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Consolidated financial statements

The company has taken advantage of the exemption permitted by Section 228 of the Companies Act 1985 and not produced consolidated financial statements as it is itself a wholly owned subsidiary of a UK company.

Turnover

Turnover is the invoice value of goods and services supplied, excluding sales related taxes.

Depreciation

Depreciation is calculated to write down the cost or valuation of all tangible assets to residual value by equal annual instalments over their expected useful lives. The periods generally applicable are:

Freehold buildings	50 years
Plant, equipment and vehicles	3 to 10 years

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between results computed for taxation purposes and the results as stated in the financial statements. Provision for deferred taxation is made where it is probable that a liability will crystallise at the rates estimated to be effective in the future.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. Transactions during the year are translated at the rates ruling at the time of the transactions. Profits, losses and cash flows of overseas operations are translated at the average rates applicable to the accounting period. Exchange differences on the restatement of the net investment in overseas operations, and the difference between the profit and loss account translated at the average rate and the closing rate are recorded as movements on reserves. All other exchange differences are dealt with through the profit and loss account.

Investments

Investments are included at cost.

NEOSID GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

1 Profit on ordinary activities before taxation

This is stated after charging:

	1994 £	1993 £
Depreciation - owned assets	<u>4,990</u>	<u>8,151</u>

2 Taxation

	1994 £	1993 £
UK corporation tax charge at 33% (1993 33%) on the taxable profit for the year	-	30,000
Adjustments to current taxation in respect of prior years	<u>(49,996)</u>	<u>-</u>
	<u>(49,996)</u>	<u>30,000</u>

3 Intangible fixed assets

The intangible fixed assets represent a nominal value of £1 attributable to various trademarks held by the company.

4 Tangible fixed assets

	Total £	Freehold land and buildings £	Plant, equipment and vehicles £
Cost or valuation			
At 26 December 1993	400,273	375,824	24,449
Exchange translation differences	40,803	38,418	2,385
At 31 December 1994	<u>441,076</u>	<u>414,242</u>	<u>26,834</u>
Depreciation			
At 26 December 1993	47,994	24,566	23,428
Provided in the year	4,990	4,751	239
Exchange translation differences	4,900	2,605	2,295
At 31 December 1994	<u>57,884</u>	<u>31,922</u>	<u>25,962</u>
Net book amount at 31 December 1994	<u>383,192</u>	<u>382,320</u>	<u>872</u>
Net book amount at 25 December 1993	<u>352,279</u>	<u>351,258</u>	<u>1,021</u>

NEOSID GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

5 Fixed asset investments

	£
Shares in subsidiary undertakings	
At 26 December 1993	1,386,285
Disposals	(100)
At 31 December 1994	<u>1,386,185</u>

The principal subsidiary undertakings, all of which are wholly owned, are listed below:

	Country of registration and operation
Neosid Limited	England and Wales
Neosid (Canada) Limited	Canada

6 Debtors

	1994 £	1993 £
Amounts owed by parent and fellow subsidiary undertakings	67,253	1,653,188
Amounts owed by subsidiary undertakings	-	26,343
	<u>67,253</u>	<u>1,679,531</u>

7 Creditors: amounts falling due within one year

	1994 £	1993 £
Amounts owed to parent and fellow subsidiary undertakings	-	775,297
Corporation tax	-	84,624
	<u>-</u>	<u>859,921</u>

8 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Amounts owed to parent and fellow subsidiary undertakings	<u>629,792</u>	<u>1,300,000</u>

9 Provisions for liabilities and charges

	£
Deferred taxation	
At 26 December 1993	38,777
Transfer to fellow subsidiary undertakings	(38,777)
At 31 December 1994	<u>-</u>

NEOSID GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

10 Called up share capital

	1994 £	Authorised 1993 £	Allotted and fully paid 1994 £	1993 £
Ordinary shares of £1 each	950,000	950,000	635,660	635,660
3.5% non cumulative preference shares of £1 each	36,000	36,000	36,000	36,000
Unclassified shares of £1 each	14,000	14,000	-	-
	<u>1,000,000</u>	<u>1,000,000</u>	<u>671,660</u>	<u>671,660</u>

The number of ordinary shares in issue at 31 December 1994 was 635,660 (1993 635,660).

The number of 3.5% non-cumulative preference shares in issue at 31 December 1994 was 36,000 (1993 36,000).

11 Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 26 December 1993	210,462	264,330	72,946
Retained loss for the year	-	-	(54,413)
Exchange differences	-	27,539	14,315
At 31 December 1994	<u>210,462</u>	<u>291,869</u>	<u>32,848</u>

12 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the year	795,587	71,233
Dividends	(850,000)	-
Exchange differences	41,854	(113)
Net (decrease)/increase in shareholders' funds	<u>(12,559)</u>	<u>71,120</u>
Shareholders' funds at 26 December 1993	1,219,398	1,148,278
Shareholders' funds at 31 December 1994	<u>1,206,839</u>	<u>1,219,398</u>

NEOSID GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1994

13 Ultimate parent undertaking

The ultimate parent undertaking is TT Group PLC which is registered in England and Wales.

Copies of TT Group PLC financial statements can be obtained from the registered office at Clive House, 12-18 Queens Road, Weybridge, Surrey KT13 9XB.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
NEOSID GROUP LIMITED**

We have audited the financial statements on pages 3 to 10 which have been prepared under the accounting policies set out on page 6.

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.

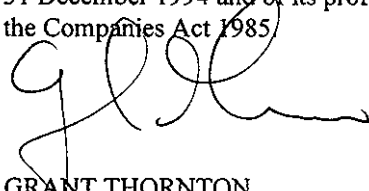
Basis of opinion

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 the company's affairs at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
SHEFFIELD

13 April 1995