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Opendome Limited

Report and Accounts

30 June 1995



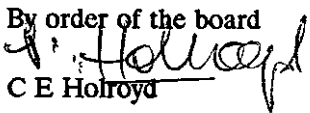
Opendome Limited

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of Opendome Limited will be held at 9-11 Godmans Lane, Kirkella on Tuesday 24 October 1995 to transact the following business:

- 1 To receive and adopt the directors' report and the audited accounts for the year ended 30 June 1995.
- 2 To reappoint the auditors.
- 3 To authorise the directors to fix the remuneration of the auditors.

By order of the board


C E Holroyd

Secretary

9-11 Godmans Lane
Kirkella
Hull
HU10 7NX

24 October 1995

NOTE

Any member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.

Opendome Limited

Registered No. 982146

DIRECTORS

C E Holroyd F.C.A. (Chairman)

T F Hindley F. Inst. F.F.

SECRETARY

C E Holroyd F.C.A.

AUDITORS

Ernst & Young

PO Box 61

Cloth Hall Court

14 King Street

Leeds

LS1 2JN

BANKERS

National Westminster Bank PLC

PO Box No 76

19 Silver Street

Hull

HU1 1JQ

SOLICITORS

John Bosomworth & Co.,

10 Park Square

Leeds

LS1 2LH

REGISTERED OFFICE

9-11 Godmans Lane

Kirkella

Hull

HU10 7NX

Opendome Limited

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 June 1995.

RESULTS AND DIVIDENDS

The profit for the year amounts to £12,854 and is dealt with as shown in the profit and loss account.

The directors do not propose a dividend for the year.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company continue to be those of manufacturers and exporters.

The company has again experienced considerable difficulty in obtaining business in its traditional markets in the Middle East and Africa. Note 5 to the accounts records the value of trade debtors tied up in various schemes of deferred settlement by central banks and/or exchange control authorities in Nigeria, Sudan and Tanzania. In almost all cases the company's customers have paid in full in local currency and it is only the relevant country's inability to meet its foreign exchange liabilities that prevents old outstanding trade debt from being collected.

In recent years, a number of variations to the terms and conditions for the payment of the principal of US Dollar loan notes and interest thereon have been agreed by both insured and uninsured Nigerian creditors. Although the Federal Republic of Nigeria have still reneged on meeting its true financial commitments, significant progress has been made by Nigeria to repay interest debt and some capital debt.

Talks on restructuring the Tanzania trade debt to both insured and uninsured creditors still continue but the prospects are not good and the directors have maintained the existing provision against Tanzania debts.

There were no sales transacted during the year but the prospects for trade in the short term are much improved.

Bad debts of £10,975 were recovered during the year. Other administrative expenses totalled only £546 to leave a net recovery of £10,429 which, combined with interest received on overdue Nigerian debt of £2,425, resulted in a profit on ordinary activities before taxation of £12,854.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 30 June 1995 were those listed on page 1.

In accordance with clause 7 of the company's articles of association none of the directors is required to retire by rotation.

According to the register maintained as required by the Companies Act 1985, none of the directors had any interest in the share capital of the company during the year.

Mr C E Holroyd is a director of Holderness Energy Group Limited and Holderness Investments Limited and Mr T F Hindley is a director of Holderness Energy Group Limited.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

C E Holroyd

Secretary



24 October 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Opendome Limited

We have audited the accounts on pages 6 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Leeds

1 November 1995

Opendome Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1995

	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
TURNOVER	3	-	60,038
Cost of sales		-	56,080
Gross profit		-	3,958
Administrative expenses		(10,429)	580
Other operating income		2,425	1,992
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION	4	12,854	5,370
Taxation on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		12,854	5,370

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £12,854 for the year ended 30 June 1995 and of £5,370 in the year ended 30 June 1994.

Opendome Limited

BALANCE SHEET

at 30 June 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Debtors	5	23,052	23,525
Cash at bank and in hand		369	8,549
		<u>23,421</u>	<u>32,074</u>
CREDITORS: amounts falling due within one year	6	<u>23,219</u>	<u>24,726</u>
NET CURRENT ASSETS		202	7,348
CREDITORS: amounts falling due after more than one year			
Loans	7	100,000	120,000
		<u>(99,798)</u>	<u>(112,652)</u>
CAPITAL AND RESERVES			
Called up share capital	8	25,000	25,000
Profit and loss account		<u>(124,798)</u>	<u>(137,652)</u>
		<u>(99,798)</u>	<u>(112,652)</u>

C E Holroyd

T F Hindley

) Directors

24 October 1995

Opendome Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the parent company has agreed not to recall the amounts advanced to the company until all other creditors have been met.

2. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has adopted Financial Reporting Standard No.1 but has not produced its own cash flow statement as a consolidated cash flow statement has been produced by the parent undertaking, Holderness Energy Group Limited.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences which are not expected to continue in the future.

Foreign currencies

Foreign currency items are expressed in sterling at the rates of exchange ruling at the balance sheet date. The resulting profits and losses are dealt with in the profit and loss account.

3. TURNOVER

Turnover represents the invoice value of sales exclusive of VAT and intra group transactions.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging/(crediting):

	1995 £	1994 £
Directors' emoluments	-	-
Auditors' remuneration	500	500
Interest received on overdue Nigerian and Tanzanian debtors from Export Credit Guarantee Department	(2,425)	(1,992)
Bad debts recovered	(10,975)	-
	<u> </u>	<u> </u>

5. DEBTORS

	1995 £	1994 £
Trade debtors	21,270	21,186
Amounts due from immediate parent company	-	2,291
Other debtors	1,782	48
	<u>23,052</u>	<u>23,525</u>

Trade debtors include £20,862 which is receivable from the Federal Republic of Nigeria in settlement of Nigerian importers' debts.

The Republic originally proposed to issue US dollar loan notes for eligible debts repayable in 14 successive equal quarterly instalments commencing in October 1986. Since that date there have been a number of attempts to re-schedule the debt and moratorium interest in respect of both insured and uninsured debts. The company continues to receive from time to time payments on account from the Central Bank of Nigeria.

Opendome Limited

NOTES TO THE ACCOUNTS

at 30 June 1995

6. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Trade creditors	21,719	24,221
Accruals	500	505
Amounts due to parent undertaking	1,000	-
	<u>23,219</u>	<u>24,726</u>

7. LOANS

	1995 £	1994 £
Loan from immediate parent undertaking	<u>100,000</u>	<u>120,000</u>

The loan is unsecured and interest free and will not be repaid until net tangible assets are sufficient to pay off external creditors and other group indebtedness.

8. SHARE CAPITAL

	1995 No.	Authorised 1994 No.	Allotted, called up and fully paid 1995 £	1994 £
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 July 1993	25,000	(143,022)	(118,022)
Profit for the year	-	5,370	5,370
At 1 July 1994	25,000	(137,652)	(112,652)
Profit for the year	-	12,854	12,854
At 30 June 1995	<u>25,000</u>	<u>(124,798)</u>	<u>(99,798)</u>

10. CONTINGENT LIABILITY

The company has given guarantees in connection with the bank overdrafts of three fellow subsidiary undertakings and the immediate parent undertaking. At 30 June 1995 the overdrafts amounted £35,284 (1994 - £34,463).

11. ULTIMATE PARENT COMPANY

The parent company of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Holderness Investments Limited, registered in England and Wales, and the parent undertaking of the smaller such group is Holderness Energy Group Limited, also registered in England and Wales. Copies of the statutory accounts for the ultimate parent undertaking can be obtained from the registered office: Sandbeck House, Sandbeck Way, Wetherby, Yorkshire LS22 7DL.

The following statement does not form part of
the audited statutory accounts of the company

Opendome Limited

TRADING ACCOUNT
for the year ended 30 June 1995

STATEMENT I

	1995	1994
	£	£
Gross margin	-	3,958
Interest on overseas debts	2,425	1,992
	<u>2,425</u>	<u>5,950</u>
Deduct: ADMINISTRATIVE EXPENSES		
General charges	18	32
Bank charges	28	48
Audit and accountancy charges	500	500
Bad debts	(10,975)	-
	<u>(10,429)</u>	<u>580</u>
NET OPERATING PROFIT		
transferred to profit and loss account	<u>12,854</u>	<u>5,370</u>