

A/19239

RICHMOND CEMENT LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 1994**

Company Number: 1804506

REGISTRAR'S COPY



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Directors	J M A Thomas	(Swedish)
	B O Johansson	(Swedish)
	G Göransson	(Swedish)
	N G Knutson	(Swedish)

Company Secretary	M V Thiemann
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Business Address and Registered Office	Handcock House 2 Delacourt Road Blackheath London SE3 8XA
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Bankers	Lloyds Bank plc Svenska Handelsbanken
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Auditors	Littlejohn Frazer Chartered Accountants and Registered Auditors 1 Park Place Canary Wharf London E14 4HJ
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Company Registration Number	1804506
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The Directors present their Report together with the Accounts for the year ended 31 December 1994.

Activities

The Company's principal activity is the trading and merchandising of products related to the cement industry.

Results and Dividends

The loss for the year before taxation amounted to £160,017, compared with a loss of £170,692 in the year ended 31 December 1993. The taxation charge was £Nil (1993 - £Nil) leaving the loss after taxation of £160,017 (1993 loss - £170,692).

The Directors cannot recommend the payment of a dividend.

Review of the Business

As planned, there was a significant rise in Richmond's bulk cement volumes during 1994.

However, recovery in the UK construction market was not strong as had been generally forecast, which lead to an increase in competition. Consequently, margins remained low. Nevertheless, despite this fading growth, bulk volumes in 1995 are expected to be only slightly lower than in 1994.

The bagged cement business has also grown during the year, but at a more modest pace. The depressed housing market and a belief that interest rates will continue to rise have affected the prospects for 1995, although an increase in volume is still expected.

Richmond is now well established as a supplier of cement in the UK, and has a solid customer base.

Fixed Assets

The changes in fixed assets during the year are summarised in the Notes to the Accounts.

Directors' Interests in Shares

The Directors during the year and their interests in the share capital of the Company were as follows:

	At 31 December 1994		At 1 January 1994	
	Ordinary shares	Redeemable ordinary shares	Ordinary shares	Redeemable ordinary shares
J M A Thomas	-	-	-	-
S E O Johansson	-	-	-	-
B O Johansson	-	-	-	-
H A W Risberg	-	-	-	-
G Göransson	-	-	-	-

H A W Risberg resigned on 8 September 1994 and G Göransson was appointed a Director on the same date.

S E O Johansson resigned on 25 August 1995 and N G Knutson was appointed a Director on the same date.

In accordance with the Company's Articles of Association, none of the Directors retire by rotation.

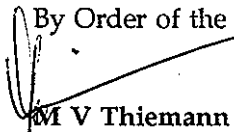
Close Company

The Company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

A resolution proposing the reappointment of Littlejohn Frazer as the Company's auditors will be put to the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'M V Thiemann', is written over the printed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

M V Thiemann

Secretary

25 September 1995

To the Members of Richmond Cement Limited

We have audited the Accounts on pages 6 to 14 which have been prepared under the Accounting Policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

As described on page 8 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit of 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 judgments 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 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlejohn Frazer

Chartered Accountants
and Registered Auditors

28 September 1995

1 Park Place
Canary Wharf
London E14 4HJ

	Note	1994	1993
Turnover		1,664,821	614,143
Cost of sales		1,483,717	440,163
		<hr/>	<hr/>
Gross Profit		181,104	173,980
Administrative expenses		276,118	281,462
		<hr/>	<hr/>
Operating Loss	1	(95,014)	(107,482)
Interest payable less receivable	3	65,003	63,210
		<hr/>	<hr/>
Loss on Ordinary Activities before Taxation		(160,017)	(170,692)
Taxation	4	-	-
		<hr/>	<hr/>
Loss on Ordinary Activities after Taxation		(160,017)	(170,692)
Accumulated losses brought forward		(861,910)	(691,218)
		<hr/>	<hr/>
Accumulated losses carried forward		£(1,021,927)	£(861,910)
		<hr/>	<hr/>

All turnover is from continuing operations.

The Company had no recognised gains or losses other than the loss on ordinary activities after taxation stated above. There is no material difference between the reported loss for 1994 and 1993 and the loss for those years as restated on a historical cost basis.

The Accounting Policies and Notes on pages 8 to 14 form part of these Accounts.


	Note	1994	1993
Fixed Assets			
Tangible assets	5	949,362	980,458
Current Assets			
Stocks	6	307,319	123,992
Debtors	7	537,780	168,931
Cash at bank and in hand		66,714	26,413
		<u>911,813</u>	<u>319,336</u>
Creditors: due within one year	8	<u>1,039,546</u>	<u>711,704</u>
Net Current Liabilities		<u>(127,733)</u>	<u>(392,368)</u>
Total Assets less Current Liabilities		<u>821,629</u>	<u>588,090</u>
Creditors: due after one year	9	<u>943,556</u>	<u>550,000</u>
		<u>£(121,927)</u>	<u>£38,090</u>
Capital and Reserves			
Called-up share capital	14	900,000	900,000
Profit and Loss Account		(1,021,927)	(861,910)
		<u>£(121,927)</u>	<u>£38,090</u>

Approved by the Board on 25 September 1995.

J M A Thomas



B O Johansson



)
)
) Directors

The Accounting Policies and Notes on pages 8 to 14 form part of these Accounts.

Statement of Directors' Responsibilities

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 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 Accounts;
- 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 maintaining 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. The Accounting Policies selected are set out below.

Accounting Policies

Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards. The Accounts have been prepared on a going concern basis on receipt of confirmation from the parent companies of their intention to continue to provide necessary support for the foreseeable future.

Turnover

Turnover represents amounts invoiced excluding VAT during the year.

Depreciation

Depreciation is provided on all tangible fixed assets from the date brought into operation at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Plant and machinery - silos	-	over 25 years
Plant and machinery - other	-	over 10 years
Motor vehicles	-	over 3 years
Furniture and equipment	-	over 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition.

Goods for resale - Purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Leasing Commitments

Assets obtained under the hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to Profit and Loss Accounts over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income as incurred.

Deferred Taxation

Deferred Taxation is provided at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Accounts. Provision is made to the extent that it is likely that the liability will crystallise in the foreseeable future.

Pension Contributions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £1,474 (1993 - £2,636).

1. Operating Loss

1994

1993

This is stated after charging/(crediting):

Auditors' remuneration	£ 3,500	£ 2,200
Depreciation	£47,976	£49,483
Rentals under operating leases	£54,785	£60,177
Profit on disposal of fixed assets	£ (4,000)	£ (1,500)
	<u> </u>	<u> </u>

2. Employees

Staff Costs (including Directors)

Wages and salaries	74,179	87,765
Social security costs	7,470	8,939
Other pension costs	1,474	2,636
	<u> </u>	<u> </u>
	£83,123	£99,340
	<u> </u>	<u> </u>

Average number of employees during the year

No.

No.

Office management	6	7
Distribution	2	1
	<u> </u>	<u> </u>
	8	8
	<u> </u>	<u> </u>

No Director received any remuneration (1993 - None).

3. Interest Payable less Receivable

Interest Payable:

Bank loans and overdrafts	66,185	64,265
Hire purchase contracts	555	-
	<u> </u>	<u> </u>

66,740

64,265

Interest Receivable:

Bank interest	1,737	1,055
	<u> </u>	<u> </u>

£65,003

£63,210

4. Taxation

No provision has been made in the Accounts as the Company has tax losses of approximately £1,607,000 (1993 -£1,380,200) available to carry forward against future taxable profits.

5. Tangible Fixed Assets

Cost	Plant and machinery	Motor vehicles	Furniture and equipment	Total
At 1 January 1994	1,081,424	10,500	7,188	1,099,112
Additions	-	16,880	-	16,880
Disposals	-	(10,500)	-	(10,500)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	1,081,424	16,880	7,188	1,105,492
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1994	104,405	10,500	3,749	118,654
Provided during the year	43,256	3,282	1,438	47,976
Disposals	-	(10,500)	-	(10,500)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	147,661	3,282	5,187	156,130
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 December 1994	£933,763	£13,598	£2,001	£949,362
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1993	£977,019	£ -	£3,439	£980,458
	<hr/>	<hr/>	<hr/>	<hr/>

Included in motor vehicles are amounts relating to assets acquired under hire purchase contracts:

Cost

At 31 December 1994 £16,880

At 1 January 1994 £ -

Accumulated Depreciation

At 31 December 1994 £3,282

At 1 January 1994 £ -

Depreciation

Provided during the year £3,282

6. Stocks

	1994	1993
Goods for resale	£307,319	£123,992
	<hr/>	<hr/>

7. Debtors	1994	1993
Trade debtors	516,649	152,029
Other debtors	6,944	4,084
Prepayments	14,187	12,818
	<hr/>	<hr/>
	£537,780	£168,931
	<hr/>	<hr/>

8. Creditors: amounts falling due within one year

Bank loan (note 10)	550,000	-
Bank overdraft	349,587	349,055
Hire purchase contracts (note 11)	6,404	-
Trade creditors	88,896	22,195
Amount owed to Group Undertakings	-	249,140
Other Taxes and Social Security	26,118	14,805
Accruals	18,541	76,509
	<hr/>	<hr/>
	£1,039,546	£711,704
	<hr/>	<hr/>

The bank overdraft is secured by a fixed and floating charge over the assets of the Company. The Holding Companies have also guaranteed the Company's bank indebtedness.

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

Bank loan (note 10)	-	550,000
Hire purchase contracts (note 11)	3,496	-
Amount owed to Group Undertaking	940,060	-
	<hr/>	<hr/>
	£943,556	£550,000
	<hr/>	<hr/>

10. Bank Loan

Secured - repayable on 30 October 1995	£550,000	£550,000
	<hr/>	<hr/>

The secured loan is secured by a fixed and floating charge over the assets of the Company and bears interest at Svenska Handelsbanken loan rate.

11. Obligations under Hire Purchase Contracts

	1994	1993
Due within one year	7,070	-
Due within two to five years	3,610	-
	<hr/>	<hr/>
	10,680	-
Less: Finance charges allocated to future periods	780	-
	<hr/>	<hr/>
	£9,900	£ -
	<hr/>	<hr/>
Shown as:		
Current obligations (note 8)	6,404	-
Non-current obligations (note 9)	3,496	-
	<hr/>	<hr/>
	£9,900	£ -
	<hr/>	<hr/>

12. Obligations Under Operating Leases

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are:

	1994		1993	
	Land and buildings	Other	Land and buildings	Other
On leases expiring:				
Within one year	-	-	-	433
Between two and five years	-	2,212	-	-
Over five years	45,750	-	45,750	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£45,750	£2,212	£45,750	£433
	<hr/>	<hr/>	<hr/>	<hr/>

13. Deferred Taxation

	1994	1993	1994	1993
	Provision		Full potential (asset)/liability	
Deferred taxation provided and the potential liability, including the amounts for which provision has been made, are as follows:				
Capital allowances in advance of depreciation	162,100	135,900	162,100	135,900
Taxation losses	(162,100)	(135,900)	(401,700)	(345,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	£ -	£ -	£(239,600)	£(209,100)
	<hr/>	<hr/>	<hr/>	<hr/>

14. Called-up Share Capital	1994	1993	1994	1993
			Authorised	Allotted, called-up and fully paid
Ordinary Shares of £1 each	500,000	500,000	500,000	500,000
Redeemable Ordinary Shares of £1 each	400,000	400,000	400,000	400,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
	<u>£900,000</u>	<u>£900,000</u>	<u>£900,000</u>	<u>£900,000</u>

The Redeemable Ordinary Shares may be redeemed at the option of the Company in whole or any part at par at any time, provided that not less than three months notice is given to the relevant shareholders.

15. Reconciliation of Movements on Shareholders Funds	1994	1993
Loss on ordinary activities after taxation	(160,017)	(170,692)
New share capital subscribed	-	100,000
Opening shareholders funds	38,090	108,782
	<u>38,090</u>	<u>108,782</u>
Closing Shareholders' Funds	<u>£(121,927)</u>	<u>£38,090</u>

16. Capital Commitments

There were no capital commitments at 31 December 1994 (1993 - None)

17. Contingent Liabilities

There were no contingent liabilities at 31 December 1994 (1993 - None).

18. Ultimate Holding Company

The Company's immediate holding company is CEM Trade AB and its ultimate holding company is A B Färdig Betong, both of whom are registered in Sweden.