

Cementation (Egypt) Limited

REPORT AND ACCOUNTS

30TH SEPTEMBER 1995



Cementation (Egypt) Limited

Directors' Report

The Directors have pleasure in submitting their Report and Statement of Accounts for the year ended 30th September 1995.

PRINCIPAL ACTIVITIES

The company's principal activities are to carry out civil engineering, building, mining and other construction related work, in Egypt, all of which are continuing.

BUSINESS REVIEW

The company incurred administration expenses during the year.
The company will continue to seek future business opportunities in Egypt.

RESULTS

The results for the year are set out in the Profit and Loss Account on Page 5. The retained loss for the year of £9,477 was transferred from reserves.

DIVIDENDS

The directors do not propose to declare the payment of any dividend on the issued ordinary share capital of the company in respect of the year ended 30th September 1995 (1994 – Nil).

DIRECTORS

The following persons were directors of the company during the year:

B. Myers

G.F. Clarke

M.E. Napier

During the period the ultimate holding company, Trafalgar House Public Limited Company, maintained insurance for directors and officers against liabilities in relation to its subsidiary companies.

Cementation (Egypt) Limited

Directors' Report (continued)

DIRECTORS' INTERESTS

Given below are the interests in the shares and debentures of the ultimate parent company, Trafalgar House Public Limited Company, of those directors who at 30th September 1995 were not also directors of that company. No director had any interest in the shares of the Company.

	At 30th September 1995		At 30th September 1994 (or subsequent date of appointment)	
	Ordinary Shares	Share Options	Ordinary Shares	Share Options
G.F. Clarke	—	66,217	—	56,557
M.E. Napier	—	56,557	—	56,557

The above figures include interests acquired under the terms of the Trafalgar House Public Limited Company's profit sharing and share option schemes.

AUDITORS

Pursuant to Section 386 of the Companies Act 1985 an elective resolution to dispense with the obligation to appoint auditors annually was passed at an Extraordinary General Meeting of the Company held on 30th August 1991.

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

By Order of the Board



B.E. Tanner
Secretary
28th November 1995

Cementation (Egypt) 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 as at the end of the financial year 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;
- 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 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.

Cementation (Egypt) Limited

AUDITORS' REPORT

To the members of Cementation (Egypt) Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

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, and 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 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 30 September 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants &

Registered Auditors

8 Salisbury Square

London

EC4Y 8BB

20th December 1995

Cementation (Egypt) Limited

Profit & Loss Account for the year ended 30 September 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Turnover			
Continuing operations	2	—	—
Cost of sales		<u>—</u>	<u>—</u>
Gross profit		—	—
Net operating expenses		(9,477)	(2,175)
Loss on ordinary activities before taxation	3	<u>(9,477)</u>	<u>(2,175)</u>
Tax on loss on ordinary activities	4	—	—
Retained loss for the financial year	9	<u><u>(9,477)</u></u>	<u><u>(2,175)</u></u>

The notes on pages 7 to 9 form part of these accounts.

The company has no recognised gains or losses other than the loss for the financial year. Accordingly a statement of total recognised gains and losses has not been prepared.

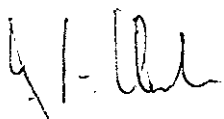
Cementation (Egypt) Limited

Balance Sheet at 30 September 1995

	Notes	30 September 1995 £	30 September 1994 £
CURRENT ASSETS			
Debtors	6	1,224,287	1,323,738
Cash at bank and in hand		101,785	986
		<u>1,326,072</u>	<u>1,324,724</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	7	(114,067)	(103,242)
		<u>1,212,005</u>	<u>1,221,482</u>
NET CURRENT ASSETS			
CAPITAL AND RESERVES			
Called up equity share capital	8	1,000,000	1,000,000
Profit and loss account	9	212,005	221,482
		<u>1,212,005</u>	<u>1,221,482</u>

The notes on pages 7 to 9 form part of these accounts.

These accounts were approved by the Board of Directors on 28th November 1995
and signed on its behalf by:


G.F. Clarke
Director
28th November 1995

Cementation (Egypt) Limited

Notes to the Accounts

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.

(a) Accounting convention

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

(b) Cash flow statement

The company has taken advantage of the exemption under the rules of FRS1 not to produce a cash flow statement. The appropriate amounts have been included in the consolidated accounts of Trafalgar House Public Limited Company.

(c) Foreign Currencies

Assets, liabilities and trading results denominated in foreign currencies are translated into sterling at the rates ruling at the year end except where rates of exchange are fixed under contractual arrangements. Other exchange differences are taken to the profit and loss account when they arise.

(d) Turnover

Turnover, which includes inter company trading, represents the sales value of contract work done.

(e) Taxation

Deferred taxation is provided at the 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 to the extent that it is probable that a liability will crystallise in the future.

2. Turnover

The company had no turnover during the year (1994 – Nil).

3. Loss on ordinary activities before taxation

The audit fee has been borne by the parent company.

Cementation (Egypt) Limited

Notes to the Accounts

4. Tax on loss on ordinary activities

There is no tax charge for the year (1994 – Nil).

There is no Corporation Tax charge or credit on the loss for the year as relief for losses incurred will be surrendered to other group companies for no consideration.

There is no potential liability to deferred taxation

5. Information regarding staff and directors.

No staff were employed by the company during the year (1994 – Nil).

No director received any remuneration in respect of the year (1994 – Nil).

6. Debtors

	<u>1995</u>	<u>1994</u>
	£	£
Amounts falling due within one year:		
Trade debtors	779	62,612
Amounts owed by fellow subsidiary undertakings	1,221,807	1,261,126
Prepayments and accrued income	1,701	–
	<u>1,224,287</u>	<u>1,323,738</u>

7. Creditors: amounts falling due within one year

Amounts owed to fellow subsidiary undertakings	113,742	103,242
Other creditors	325	–
	<u>114,067</u>	<u>103,242</u>

8. Equity share capital

Authorised equity share capital:		
1,000,000 ordinary equity shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid equity share capital:		
1,000,000 ordinary equity shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

9. Reserves

	Profit and Loss account £
As at 1 October 1994	221,482
Retained loss for the financial year	(9,477)
As at 30 September 1995	<u>212,005</u>

Cementation (Egypt) Limited

Notes to the Accounts

	<u>1995</u>	<u>1994</u>
<u>10. Reconciliation of movements in shareholders' funds</u>	<u>£</u>	<u>£</u>
Loss for the financial year	(9,477)	(2,175)
Opening shareholders' funds	<u>1,221,482</u>	<u>1,223,657</u>
Closing shareholders' funds	<u>1,212,005</u>	<u>1,221,482</u>

11. Ultimate parent company

The ultimate parent company is Trafalgar House Public Limited Company, which is registered in England and Wales. Copies of the Report and Accounts of Trafalgar House Public Limited Company are available from the Company Secretary's Office at 1 Berkeley Street, London W1A 1BY.