

ERGON INVESTMENTS INTERNATIONAL LIMITED

Registered Number 2074788

1994 A N N U A L R E P O R T



KLO *KMPP8F07* 588
COMPANIES HOUSE 22/09/95

ERGON INVESTMENTS INTERNATIONAL LIMITED

Directors: Mr A G Spall (Chairman)
 Mr M H C Herlihy
 Mr I Revill (Appointed 24 January 1994)
 Mr D A Searles (Appointed 8 August 1994)

Secretary: Mr R R Sparks

Registered Office: Imperial Chemical House
 Millbank
 London
 SW1P 3JF

Auditors: KPMG Peat Marwick
 1 Puddle Dock
 Blackfriars
 London
 EC4V 3PD

REPORT OF THE DIRECTORS

1994

The Directors of Ergon Investments International Limited submit their Report, together with the financial statements of the Company, for the year ended 31 December 1994 which will be laid before the members at the Annual General Meeting to be held on 4 May 1995, at Imperial Chemical House, Millbank, London SW1P 3JF.

	£'000
The profit retained for the year after taxation is	9,400
Add: Reserves brought forward at 1 January 1994	8,725
: Exchange adjustments	810
Reserves carried forward at 31 December 1994	<u>18,935</u>

No dividend is proposed for 1994 (1993 £20 million).

The principal activity of the Company during the year was the holding of investments. The Company has divested its assets as detailed below as it is proposed that its liquidation be considered.

.../

On 7 November 1994 the Company sold to Imperial Chemical Industries PLC the issued share capital of ICI American Holdings Inc for a consideration of £199,439,626.00.

The names of the Directors of the Company as at the date of the Report are set out above. In addition Mr C M Short resigned as a director on 24 January 1994 and Mr F P Gray resigned on 31 August 1994.

The interests of the Directors in office at 31 December 1994 in the stock, shares and debentures of the companies in the Imperial Chemical Industries PLC Group are shown below:-

DIRECTOR	ICI ORDINARY SHARES	
	AT 31 DECEMBER 1994	AT 1 JANUARY 1994 OR AT DATE OF APPOINTMENT IF LATER
A G Spall	3,565	3,561
M H C Herlihy	1,837	1,837
I Revill	1,624	2,124
D A Searles	-	-

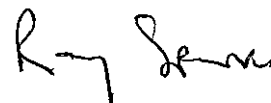
Options to subscribe for Ordinary Shares granted and exercised during 1994 are included in the table below.

	At 1 January 1994 or at date of appointment if later	Options Granted	Options Exercised	At 31 December 1994
A G Spall	15,500	58,664	-	74,164
M H C Herlihy	52,525	3,769	-	56,294
I Revill	37,000	2,091	-	39,091
D A Searles	27,600	1,425	-	29,025

.../

Our auditors KPMG Peat Marwick have informed us that they will practise under the name of KPMG with effect from 6 February 1995. In accordance with Section 384 of the Companies Act, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



R R SPARKS
Secretary

Imperial Chemical House
Millbank, London
SW1P 3JF

.....

3 February 1995

**DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
PREPARATION OF FINANCIAL STATEMENTS**

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;
- 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 a general responsibility for taking such steps as are reasonably open to them for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF ERGON INVESTMENTS
INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, 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 as 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.

KPMG Peat Marwick

Chartered Accountants
 Registered Auditors

KPMG Peat Marwick
 1 Puddle Dock
 Blackfriars
 London EC4V 3PD

3 February 1995

ERGON INVESTMENTS INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
Income from shares in group undertakings		(2,598)	3,008
Other interest receivable and similar income	4	5,355	13,408
Administrative expenses		(2)	(2)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	5	2,755	16,414
Tax on profit on ordinary activities	6	6,645	(19,098)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		9,400	(2,684)
Proposed dividends	7	-	(20,000)
		<hr/>	<hr/>
Retained profit/(loss) for the year		9,400	(22,684)
		<hr/>	<hr/>

A statement of the movements on reserves is set out in note 12 to these financial statements.

The notes on pages 9 to 12 form part of these financial statements. A reconciliation of movements in shareholders funds is set out in note 13 to these financial statements.

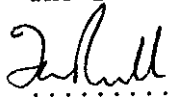
A statement of total recognised gains and losses is set out on page 8.

ERGON INVESTMENTS INTERNATIONAL LIMITEDBALANCE SHEETAS AT 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
FIXED ASSETS			
Investments	8	-	199,440
CURRENT ASSETS			
Debtors	9	1,516,700	1,524,500
CREDITORS			
Amounts falling due within one year	10	(1,767)	(219,217)
NET CURRENT ASSETS		1,514,933	1,305,283
TOTAL ASSETS LESS CURRENT LIABILITIES		1,514,933	1,504,723
FINANCED BY			
CAPITAL AND RESERVES			
Called up share capital	11	1,495,998	1,495,998
Reserves	12	18,935	8,725
		1,514,933	1,504,723

The notes on pages 9 to 12 form part of these financial statements.

The Board of Directors approved these financial statements on 3 February 1995.

 Director
I. Revill

Statement of total recognised gains and losses

	1994 £,000	1993 £'000
Profit/(loss) for the financial year	9,400	(2,684)
Currency translation differences	810	1,228
Total gains and losses recognised since last annual report	<u>10,210</u>	<u>(1,456)</u>

NOTES RELATING TO THE FINANCIAL STATEMENTS
31 DECEMBER 1994

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

The consolidated financial statements of the Company's parent undertaking include a consolidated statement of cash flows of the Group. The Company is consequently exempt from preparing a cash flow in these accounts.

b) Foreign currencies

Assets and liabilities in foreign currencies are converted into Sterling at the spot rates of exchange ruling at the balance sheet date. All exchange differences on investments are taken to reserves.

2. Segmental information

The Company's activities are carried out wholly in the United Kingdom.

3. Directors' emoluments and staff costs

The Company employed no staff during the year (1993: Nil). None of the Directors received any emoluments in respect of their services to the Company (1993: fnil).

4. Other interest receivable and similar income

	1994 £'000	1993 £'000
Interest from group undertakings	5,355	13,408
	<hr/>	<hr/>

5. Profit on ordinary activities before taxation

	1994 £'000	1993 £'000
Is arrived at after charging auditors' remuneration	2	2
	<hr/>	<hr/>

6. Taxation

	1994 £'000	1993 £'000
UK corporation tax	10,100	3,172
UK corporation tax prior years	(9,112)	-
Double tax relief	(10,100)	-
Group relief charge	1,767	14,825
Group relief under provision prior year	700	-
	<u>(6,645)</u>	<u>17,997</u>
Overseas tax	-	1,101
	<u>(6,645)</u>	<u>19,098</u>

UK corporation tax has been provided on the profits of the year at the rate of 33% (1993 33%).

7. Dividends

	1994 £'000	1993 £'000
Proposed dividend	-	20,000
	<u>-</u>	<u>20,000</u>

8. Fixed asset investment

Investments in group undertakings

	Shares £'000	Total £'000
Cost		
At beginning of year	199,440	199,440
Disposals	(199,440)	(199,440)
	<u>-</u>	<u>-</u>
Net balance at end of year	-	-

9. Debtors

	1994 £'000	1993 £'000
Amounts owed by group undertakings	1,516,262	1,524,500
Other debtors	438	-
	<u>1,516,700</u>	<u>1,524,500</u>

10. Creditors: amounts falling due within one year

	1994 £'000	1993 £'000
Amount owed due to Group tax relief	1,767	-
Amounts owed to parent company	-	213,000
UK corporation tax	-	6,217
	<u>1,767</u>	<u>219,217</u>

11. Share Capital

	1994 £'000	1993 £'000
Ordinary shares of £1 each Authorised	2,500,000	2,500,000
	<u>£'000</u>	<u>£'000</u>
Allotted, called up and fully paid	1,495,998	1,495,998

12. Reserves

	Profit and Loss Account 1994 £'000	Profit and Loss Account 1993 £'000
At beginning of year	8,725	30,181
Retained profit for year	9,400	(22,684)
Exchange adjustment	810	1,228
	<u>18,935</u>	<u>8,725</u>

13. Reconciliation of movements in shareholders' funds

	1994 £'000	1993 £'000
Opening shareholders' funds	1,504,723	1,525,841
Profit/(loss) for the financial year	9,400	(2,684)
Dividends	-	(20,000)
Retained (loss)/profit for the year	<u>9,400</u>	<u>(22,684)</u>
New share capital subscribed	-	338
Other recognised gains and losses relating to the year	810	1,228
Net (deduction from)/addition to shareholders' funds	<u>10,210</u>	<u>(21,118)</u>
Closing shareholders' funds	<u>1,514,933</u>	<u>1,504,723</u>

14. Parent Company

The Company is a wholly owned subsidiary of Ergon Investments UK Limited, which is incorporated in Great Britain and registered in England.

15. Ultimate parent company

The Company's ultimate parent company is Imperial Chemical Industries PLC, which is incorporated in Great Britain and registered in England. Copies of the group accounts are available from Imperial Chemical House, 9 Millbank, London SW1P 3JF.