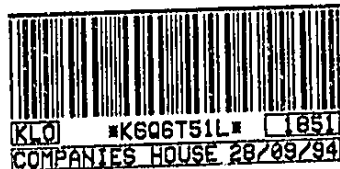


**ERGON INVESTMENTS INTERNATIONAL LIMITED**

**(REGISTERED NO: 2074788)**

**1993 ANNUAL REPORT**



ERGON INVESTMENTS INTERNATIONAL LIMITED

Directors: Mr A G Spall (Chairman)  
 Mr F P Gray  
 Mr M H C Herlihy  
 Mr I Revill (Appointed 24 January 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

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REPORT OF THE DIRECTORS

1993

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The Directors of Ergon Investments International Limited submit their Report, together with the Financial Statements of the Company, for the year ended 31 December 1993 which will be laid before the members at the Annual General Meeting to be held on 12 May 1994, at Imperial Chemical House, Millbank, London, SW1P 3JF.

	£ '000
The loss retained for the year after taxation is	(2,684)
Add: Reserves brought forward at 1 January 1993	30,181
: Exchange adjustments	1,228
Deduct: Proposed Dividends	(20,000)
Reserves carried forward at 31 December 1993	<u>8,725</u> =====

A first interim dividend of 1.3369p was declared on 4 February 1994.

The principal activity of the Company during the year was the holding of investments. No change in this activity is envisaged.

.../

On 27 January 1993 the Company issued 338,036 Ordinary Shares of £1 each at par, and acquired 920 Ordinary Shares in ICI Omicron B.V.. On the same day the Company disposed of this holding to ICI Theta B.V. for 920 Ordinary Shares of NLG 1,000 each in ICI Theta B.V.

On 28 July 1993 the Company disposed of 3,259,563 Ordinary Shares of NLG 1,000 each in ICI Theta B.V. to Ergon (No. 1) Limited for 1,020,272,376 shares of £1 each in Ergon (No. 1) Limited. On the same day Ergon (No. 1) Limited was put into Members' Voluntary Liquidation with the assets to be distributed to shareholders in specie.

On 27 September 1993 the Company acquired from Tioxide Group Limited 10,750 Common Stock par value US\$1.00 each in Tioxide Americas Inc for a consideration of £3,562,654. On the same day the Company disposed of this holding to ICI American Holdings Inc in consideration of one Common Stock holding of US\$1.00 par value in ICI American Holdings Inc.

The names of the Directors of the Company as at the date of this Report are set out above. In addition Mr N Lyle resigned as Director on 28 May 1993 and Mr C M Short resigned as Director on 24 January 1994.

The interests of the Directors in office at 31 December 1993 in ICI Ordinary Shares are shown below. Their interests at 1 January 1993 (or at date of appointment) are shown in brackets where these differ from the holdings at the year end:-

#### Director

C M Short	55266	(500)
A G Spall	3561	(3162)
F P Gray	3505	(3232)
M H C Herlihy	1837	

Options to subscribe for Ordinary Shares, adjusted, granted, exercised and renounced during 1993 are shown below.

Director	At 1 January 1993 or at date of appointment	* Option Adjustment	Options Granted	Options Exercised	Options Renounced	At 31 December 1993
C M Short	99238	95401	28200	170640	-	52199
A G Spall	854	-	15500	138	716	15500
F P Gray	27256	25378	1100	259	464	53011
M H E Herlihy	21130	19425	12900	315	615	52525

- \* Consequent upon the demerger of ICI's bioscience interests on 1 June 1993, certain outstanding staff share options were adjusted to reflect the reduced market value of ICI Ordinary Shares.

.../

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

*R R Sparks*

R R SPARKS  
Secretary

Imperial Chemical House  
Millbank  
London  
4 February 1994

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 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.

AUDITORS' REPORT TO THE MEMBERS OF ERGON INVESTMENTS  
INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 11 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 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 February 1994

*KPMG Peat Marwick*  
KPMG Peat Marwick  
1 Puddle Dock  
Blackfriars  
London EC4V 3PD

Chartered Accountants  
Registered Auditors

ERGON INVESTMENTS INTERNATIONAL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1993

	Notes	1993 £'000	1992 £'000
Income from shares in group undertakings		3,008	138,626
Other interest receivable and similar income	4	13,408	8,680
Administrative expenses		(2)	(2)
Profit on ordinary activities before taxation	3	16,414	147,304
Tax on profit on ordinary activities	5	(19,098)	(3,944)
(Loss)/profit on ordinary activities after taxation		(2,684)	143,360
Proposed dividends	6	(20,000)	(130,000)
(Loss)/profit retained for the year		(22,684)	13,360

A statement of the movements on reserves is set out in note 11 to these financial statements.

The notes on pages 8 to 11 form part of these financial statements.

A statement of total recognised gains and losses is set out in note 15 to these financial statements. No adjustment is required to restate the loss for the year to the historical cost loss for the year.

A reconciliation of movements in shareholders funds is set out in note 14 to these financial statements.

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ERGON INVESTMENTS INTERNATIONAL LIMITED


BALANCE SHEET

AS AT 31 DECEMBER 1993

	Notes	1993 £'000	1992 £'000
FIXED ASSETS			
Investments	7	199,440	1,271,843
CURRENT ASSETS			
Debtors	8	1,524,500	449,310
CREDITORS			
Amounts falling due within one year	9	(219,217)	(195,312)
NET CURRENT ASSETS		1,305,283	253,998
TOTAL ASSETS LESS CURRENT LIABILITIES		1,504,723	1,525,841
FINANCED BY			
CAPITAL AND RESERVES			
Called up share capital	10	1,495,998	1,495,660
Reserves	11	8,725	30,181
		1,504,723	1,525,841

The notes on pages 8 to 11 form part of these financial statements.

the Board of Directors approved these financial statements on 4 February 1994.

...  Director

F. P. GRAY



NOTES RELATING TO THE FINANCIAL STATEMENTS  
31 DECEMBER 1993

1. Accounting policies

a) Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with Section 228 of, and Schedule 4 to the Companies Act 1985 (as amended by Companies Act 1989) and with applicable Accounting Standards.

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 or funds statement 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. Profit on ordinary activities before taxation

	1993	1992
	£	£
Is arrived at after charging auditors' remuneration	2,500	2,500

4. Other interest receivable and similar income

	1993	1992
	£'000	£'000
Interest from group undertakings	13,408	8,680

5. Taxation

	1993	1992
	£'000	£'000
UK corporation tax	3,172	49,678
Double tax relief	-	(50,775)
Group relief charge prior years	14,825	-
	17,997	(1,097)
Overseas tax	1,101	5,041
	19,098	3,944

UK corporation tax has been provided on the profits of the year at the rate of 33% (1992 33%).

6. Dividends

	1993 £'000	1992 £'000
Proposed dividend	20,000	130,000
	<u>20,000</u>	<u>130,000</u>

7. Fixed asset investment

## Investments in group undertakings

	Shares £'000	Loans £'000	Total £'000
Cost			
At beginning of year	1,215,811	56,032	1,271,843
Additions	3,901	-	3,901
Disposals	(1,020,272)	(57,260)	(1,077,532)
Exchange adjustments	-	1,228	1,228
Net balance at end of year	<u>199,440</u>	<u>-</u>	<u>199,440</u>

The company's unlisted wholly owned subsidiary undertakings at the end of the year were:

ICI American Holdings Inc (Incorporated in USA)

The Company is exempt (under section 228 of the Companies Act 1985) from the requirement to prepare group accounts as it is included in the consolidated accounts of Imperial Chemical Industries PLC, a company registered in England. Copies of the group accounts are available from Imperial Chemical House, 9 Millbank, London SW1P 3JF.

8. Debtors

	1993 £'000	1992 £'000
Amounts owed by group undertakings	1,524,500	449,310
	<u>1,524,500</u>	<u>449,310</u>

9. Creditors: amounts falling due within one year

	1993 £'000	1992 £'000
UK corporation tax	6,217	2,312
Amounts owed to parent company	213,000	193,000
	<u>219,217</u>	<u>195,312</u>

10. Share Capital

	1993 £	1992 £
Ordinary shares of £1 each Authorised	2,500,000,000	2,500,000,000
	£	£
Allotted, called up and fully paid	1,405,998,330	1,495,660,294

Ordinary shares issued during the year at par totalled 338,036 shares of £1 each in order to finance purchase of subsidiaries, and were issued as follows:-

27 January 1993                      338,036

11. Reserves

	Profit and Loss Acct. £'000	Other £'000	Total £'000
At beginning of year	20,112	10,069	30,181
Retained loss for year	(22,684)	-	(22,684)
Exchange adjustment	-	1,228	1,228
Transfer between reserves	11,297	(11,297)	-
	<u>8,725</u>	<u>-</u>	<u>8,725</u>

12. Directors' emoluments and staff costs

The Company employed no staff during the year (1992: nil). None of the Directors received any emoluments in respect of their services to the Company (1992: £nil).

13. Ultimate parent company

The Company's ultimate parent company is Imperial Chemical Industries PLC, which is incorporated in Great Britain and registered in England.

14. Reconciliation of movements in shareholders' funds

	1993 £'000	1992 £'000
Opening shareholders' funds	1,525,841	1,379,887
(Loss)/profit for the financial year	(2,684)	143,360
Dividends	(20,000)	(130,000)
Retained (loss)/profit for the year	<u>(22,684)</u>	<u>13,360</u>
New share capital subscribed	338	121,932
Other recognised gains and losses relating to the year	1,228	10,662
Net (deduction from)/addition to shareholders' funds	<u>(21,118)</u>	<u>145,954</u>
Closing shareholders' funds	<u>1,504,723</u>	<u>1,525,841</u>

15. Statement of total recognised gains and losses

	1993 £,000	1992 £'000
(Loss)/profit for the financial year	(2,684)	143,360
Currency translation differences	1,228	10,662
Total gains and losses recognised since last annual report	<u>(1,456)</u>	<u>154,022</u>