

**SNC INTERNATIONAL (HOLDINGS) LIMITED**  
(Formerly SMITH NEW COURT INTERNATIONAL (HOLDINGS) LIMITED)  
Company No: 2098143

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**REPORT AND FINANCIAL STATEMENTS**  
**29 DECEMBER 1995**



# **REPORT OF THE AUDITORS TO THE MEMBERS OF**

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## **SNC INTERNATIONAL (HOLDINGS) LIMITED**

(Formerly SMITH NEW COURT INTERNATIONAL (HOLDINGS) LIMITED)

Company No: 2098143

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 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 at 29 December 1995 and of its loss for the period 29 April 1995 to that date and have been properly prepared in accordance with the Companies Act 1985.



**DELOITTE & TOUCHE**

Chartered Accountants and Registered Auditors

Stonecutter Court

1 Stonecutter Street

London EC4B 4WT

6 February 1996

# AUDITORS' REPORT TO THE DIRECTORS OF SNC INTERNATIONAL (HOLDINGS) LIMITED PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

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We have examined the financial statements of the company and each of its subsidiaries for the year ended 29th December 1995.

## **Basis of Opinion**

The scope of our work for the purposes of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

## **Opinion**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.



DELOITTE & TOUCHE  
Chartered Accountants  
& Registered Auditors  
Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

Date: 6 February 1996

# SNC INTERNATIONAL (HOLDINGS) LIMITED

(Formerly SMITH NEW COURT INTERNATIONAL (HOLDINGS) LIMITED)

Company No: 2098143

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## REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the 35 weeks to 29 December 1995.

### CHANGE OF NAME

On 28th December 1995 a resolution was passed at an Extraordinary General Meeting of the Company approving the change of name of the Company from Smith New Court International (Holdings) Limited to SNC International (Holdings) Limited.

### CHANGE IN ULTIMATE HOLDING COMPANY

On 18 August 1995 the offer by Merrill Lynch Investments PLC, a wholly owned subsidiary of Merrill Lynch Europe PLC, for Smith Bros PLC (formerly Smith New Court PLC) and its subsidiaries, including this company, become unconditional.

Merrill Lynch Europe PLC is incorporated and resident in England and Wales and is wholly owned by its ultimate parent company Merrill Lynch & Co., Inc. which is incorporated and resident in the United States of America.

### PRINCIPAL ACTIVITIES

The Company acts as a holding company for the overseas interests of Smith Bros PLC (formerly Smith New Court PLC).

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has received no dividend income in the period (1994/5: £3,909,549). During the period the Company changed its accounting reference date from 30 April to 31 December. The accounts are prepared to the last Friday in December.

### DIVIDENDS

No interim dividends were paid in the period (1994/5: £3,909,549).

### DIRECTORS AND THEIR INTERESTS

The directors who served during the period were:

P L Jolowicz	Appointed 25 April 1995
J R Garwood	
M R Heath	Resigned 25 April 1995
S D Watson	Resigned 10 November 1995
C A Langham	Appointed 10 November 1995

The directors have no disclosable interests in the shares of the Company or any other group companies.

# SNC INTERNATIONAL (HOLDINGS) LIMITED

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## REPORT OF THE DIRECTORS

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law 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.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the 35 weeks to 29 December 1995. The directors also confirm that applicable Accounting Standards have been followed and that the financial statements have been prepared on the going concern basis.

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, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

### AUDITORS

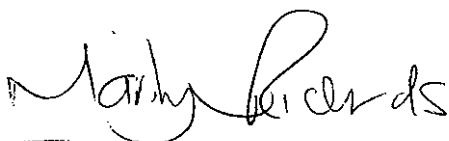
On 14 June 1991 an elective resolution was passed pursuant to Section 386 of the Companies Act 1985 dispensing with the annual appointment of the auditors. On 26 October 1995 Coopers & Lybrand resigned as auditors. On the same date the directors appointed Touche Ross & Co to act as auditors.

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name.

### ANNUAL GENERAL MEETINGS

At the company's Annual General Meeting held on 14 June 1991 an elective resolution was passed, inter alia dispensing with the requirement to lay accounts before the company in general meeting and the holding of annual general meetings.

By order of the Board



M I Richards  
Secretary  
6 February 1996

Registered office:

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9LY

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**PROFIT AND LOSS ACCOUNT  
 FOR THE 35 WEEKS ENDED 29 DECEMBER 1995**

	Note	35 weeks ending 29 December 1995 £	Year ending 28 April 1995 £
Income from shares in Group undertakings		-	3,909,549
Administrative expenses		(35)	(47)
(Loss)/profit on ordinary activities before tax		(35)	3,909,502
Taxation on (loss)/profit on ordinary activities	2	-	322
(Loss)/profit on ordinary activities after tax		(35)	3,909,824
Dividends paid and proposed	3	-	(3,909,549)
Profit brought forward		21,210	20,935
Profit carried forward		21,175	21,210

The loss for the period is derived wholly from continuing operations.

The Company has no recognised gains and losses other than those included in the profits above.

There is no difference between the loss on ordinary activities before taxation and the retained profit for the financial period stated above and their historic cost equivalents.

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

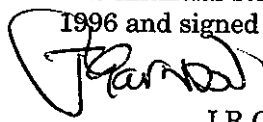

The report of the auditors is set out on page 1.

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**BALANCE SHEET AS AT 29 DECEMBER 1995**

	Note	As at 29 December 1995		As at 28 April 1995	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	7		65,558,805		60,861,010
<b>CURRENT ASSETS</b>					
Debtors	8	21,175		21,210	
<b>NET CURRENT ASSETS</b>			<u>21,175</u>		<u>21,210</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>65,579,980</u>		<u>60,882,220</u>
<b>CAPITAL AND RESERVES</b>					
Called-up share capital	9		38,348,165		33,650,370
Share premium			27,210,640		27,210,640
Profit and Loss Account			<u>21,175</u>		<u>21,210</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10		<u>65,579,980</u>		<u>60,882,220</u>

The financial statements on pages 5 to 9 were approved by the Board of Directors on 6 February 1996 and signed on its behalf by:

  
J R GARWOOD )  
 )  
  
C A LANGHAM )

Directors

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

The report of the auditors is set out on page 1.

# SNC INTERNATIONAL (HOLDINGS) LIMITED

(Formerly SMITH NEW COURT INTERNATIONAL (HOLDINGS) LIMITED)

Company No: 2098143

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

- (a) The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.
- (b) Investments are valued at the lower of cost and net asset value.
- (c) The Company has taken advantage of the exemption in Section 228 of the Companies Act 1985 from the obligation to prepare and deliver group accounts since it is a wholly owned subsidiary of Merrill Lynch Europe PLC, a company registered in England and Wales.

### 2. TAXATION

	35 weeks ending 29 December 1995	Year ending 28 April 1995
	£	£
Over provision in prior years	-	(322)
UK Corporation tax @ 33%	-	6,198,304
less double tax relief	-	(6,198,304)
	-	(322)

### 3. DIVIDENDS

	35 weeks ending 29 December 1995	Year ending 28 April 1995
	£	£
Interim	-	3,909,549
	-	3,909,549

### 4. DIRECTORS' EMOLUMENTS

The directors received no emoluments for their services to the Company during the period (1994/5: Nil).

### 5. EMPLOYEE INFORMATION

There were no employees (excluding directors) of the Company during the period (1994/5 - Nil).



# SNC INTERNATIONAL (HOLDINGS) LIMITED

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## NOTES TO THE ACCOUNTS

### 6. AUDITORS' REMUNERATION

Auditors' remuneration is borne by a fellow group company.

### 7. INVESTMENTS

	Investment in Smith New Court International (Holdings) BV	
	No. shares	£
As at 28 April 1995	31,654	60,861,010
Shares acquired during the period	1,896	4,697,795
As at 29 December 1995	33,550	65,558,805

This represents the whole of the issued share capital (1994/5: 100%) of Smith New Court International (Holdings) BV, a company incorporated in the Netherlands, which in turn holds the whole of the issued share capital of the SNC Group's overseas subsidiaries. In the opinion of the directors, the value of the investment is not less than as stated.

### 8. DEBTORS

	As at 29 December 1995 £	As at 28 April 1995 £
Taxation recoverable	3,305	3,305
Amount receivable from group undertaking	17,870	17,905
	21,175	21,210

### 9. CALLED-UP SHARE CAPITAL

	As at 29 December 1995 £	As at 28 April 1995 £
Authorised: 50,000,000 (1994/5: 50,000,000) ordinary shares of £1 each	50,000,000	50,000,000
Allotted, called-up and fully paid 38,348,165 (1994/5: 33,650,370) ordinary shares of £1 each	38,348,165	33,650,370

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## NOTES TO THE ACCOUNTS

### 9. CALLED-UP SHARE CAPITAL (continued)

The following issues of shares took place during the period to provide additional capital for the company:

Date	Shares	£
27 July 1995	157,232 at par	157,232
16 August 1995	1,423,070 at par	1,423,070
8 November 1995	3,117,493 at par	3,117,493
		<u>4,697,795</u>

### 10. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

	35 weeks ending 29 December 1995 £	Year ending 28 April 1995 £
(Loss)/profit for the year	(35)	3,909,824
Dividends	-	(3,909,549)
Retained (loss)/profit for the year	(35)	275
New share capital issued	4,697,795	4,400,220
Net additions to shareholders' funds	4,697,760	4,400,495
Opening equity shareholders' funds	60,882,220	56,481,725
Closing equity shareholders' funds	<u>65,579,980</u>	<u>60,882,220</u>

### 11. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Merrill Lynch & Co., Inc., a company incorporated in the State of Delaware in the United States of America. The parent company of the largest group which includes the company and for which group accounts are prepared is Merrill Lynch & Co., Inc. The parent undertaking of the smallest such group is Merrill Lynch Europe PLC, a company incorporated in England and Wales. Copies of the group financial statements of Merrill Lynch & Co., Inc., are available from the Corporate Secretary, World Financial Center, New York, NY 10281, USA. Copies of the group financial statements of Merrill Lynch Europe PLC are available from the Company Secretary, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY.