

**Holywell-Halkyn Mining and Tunnel Company
Limited**

**Directors' report and financial
statements**

Registered number 50892

31 December 2000



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Directors' report

The directors have pleasure in submitting their report and financial statements for the year ended 31 December 2000.

Principal activities and business review

The company did not trade during the year.

Results and dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2000 (*9 months ended 31 December 1999: £Nil*).

Directors and directors' interests

The directors who held office during the year were as follows:

DA Stevens (resigned 31 August 2000)
DL Warburton (resigned 31 August 2000)
AS Hopkins (resigned 28 June 2000)
JAM Shannon
MS Clark (appointed 23 June 2000)

The Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985 (SI 1985 No 802) are applicable to the company.

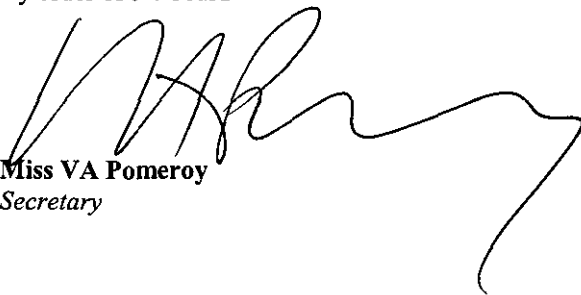
Share conversion

On 31 August 2000, part of the company's authorised share capital, being 20,000 2.8% non-cumulative preference shares of £1.00 each (the "Preference Shares"), were converted into ordinary shares of £1.00 each. None of the Preference Shares were issued at the time of the conversion.

Auditors

In accordance with Section 249AA(1) of the Companies Act 1985 the company is exempt from its obligation to appoint auditors under Section 384(1) of the Act. No auditor's report has been included in these accounts and will not be included in future as long as the company remains dormant.

By order of the board



Miss VA Pomeroy
Secretary

PO Box 20980
Oriel House
16 Connaught Place
London
W2 2ZB

28th September 2001

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 company's state of affairs at the end of the year and profit or loss for the year then ended. 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 general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 December 2000

During the year and the preceding financial period, the company did not trade and received no income and incurred no expenditure. Consequently, during these periods, the company made neither a profit nor a loss.

Balance sheet
at 31 December 2000

| | <i>Note</i> | 2000 £000 | 1999 £000 |
|--|-------------|---------------------|--------------|
| Current assets | | | |
| Debtors: Amounts falling due after more than one year | | | |
| Amount owed by group undertaking | | 83 | 83 |
| | | <hr/> | <hr/> |
| Net assets | | 83 | 83 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Capital and reserves | | | |
| Called up share capital | 4 | 63 | 63 |
| Reserves (non-distributable) | | | |
| Capital redemption | 3 | 20 | 20 |
| Forfeited share account (2000 and 1999: £46) | | - | - |
| | | <hr/> | <hr/> |
| Equity shareholders' funds | | 83 | 83 |
| | | <hr/> <hr/> | <hr/> <hr/> |

For the year ended 31 December 2000 the company was entitled to exemption under Section 249AA(1) of the Companies Act 1985.

Members have not requested the company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221, and
- (ii) preparing accounts 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 its profit and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 28th September 2001 and were signed on its behalf by:



MS Clark
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with applicable Accounting Standards.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2 Directors' remuneration

The directors received no remuneration for their services to the company. The present directors are employed by, and receive remuneration for services from, a wholly owned subsidiary of the ultimate parent undertaking.

3 Statement of retained profits and reserves

| | |
|--------------------------------------|-------------------|
| | £000 |
| Balance at 31 December 1999 and 2000 | 20 |
| | <u> </u> |

4 Called up share capital

| | 2000 £000 | 1999 £000 |
|--|-------------------|-------------------|
| <i>Authorised:</i> | | |
| 120,000 (1999: 100,000) ordinary shares of £1 each | 120 | 100 |
| Nil (1999: 20,000) 2.8% non-cumulative redeemable preference shares of £1 each | - | 20 |
| | <u> </u> | <u> </u> |
| | 120 | 120 |
| | <u> </u> | <u> </u> |
| <i>Allotted, issued and fully paid:</i> | | |
| 63,188 ordinary shares of £1 each | 63 | 63 |
| | <u> </u> | <u> </u> |

On 31 August 2000 the 20,000 2.8% non-cumulative redeemable preference shares of £1 each were converted into 20,000 Ordinary Shares of £1 each.

5 Related party transactions

As a wholly owned subsidiary, the company has taken advantage of the exemption afforded by FRS 8 Related Party Disclosures not to disclose related party transactions with other members of the Akzo Nobel group. No director during the year has been materially interested in any contract with the company which is significant in relation to the company's activities.

Notes *(continued)*

6 Immediate and ultimate parent undertakings

The company is a subsidiary undertaking of Akzo Nobel Investments (Holdings) Limited (93.97% of equity), a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group for which the results of the company are consolidated is that headed by the ultimate parent company, Akzo Nobel NV, a company incorporated in the Netherlands.

Copies of the Akzo Nobel NV Report and Accounts may be obtained from 76 Velperweg, PO Box 9300, 6800 SB Arnhem, The Netherlands.