

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

**Directors' report and financial
statements**

Registered number 50892

31 December 2004



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Directors' report

The Directors have pleasure in submitting their report and financial statements for the year ended 31 December 2004.

Principal activities and business review

The Company did not trade during the year.

Results and dividends

The financial position of the Company is shown on the Balance Sheet on Page 3.

Directors and Directors' interests

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

MS Clark
JAM Shannon

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

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

O.H. SECRETARIAT LIMITED

AUTHORISED SIGNATORY

O.H. Secretariat Limited
Secretary

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

26 January 2005

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.

Balance sheet
at 31 December 2004

	<i>Note</i>	2004 £000	2003 £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/>
Capital and reserves			
Called up share capital	4	63	63
Reserves (non-distributable)			
Capital redemption	3	20	20
Forfeited share account (2004 and 2003: £46)		-	-
		<hr/>	<hr/>
Equity shareholders' funds		83	83
		<hr/>	<hr/>

For the year ended 31 December 2004 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 26 January 2005 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 2003 and 2004	20
	<hr/>

4 Called up share capital

	2004	2003
	£000	£000
<i>Authorised:</i>		
120,000 ordinary shares of £1 each	120	120
	<hr/>	<hr/>
<i>Allotted, issued and fully paid:</i>		
63,188 ordinary shares of £1 each	63	63
	<hr/>	<hr/>

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 (96.95% 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.