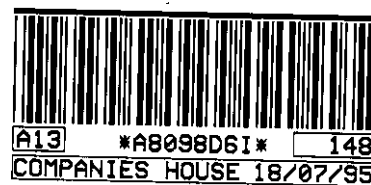


Directors' Report and Accounts

FOSECO HOLDING INTERNATIONAL LIMITED

31 December 1994



Company number: 262024

FOSECO HOLDING INTERNATIONAL LIMITED

DIRECTORS

J R L Dee
P R S Howie

DIRECTORS' REPORT

The directors submit their annual report and audited accounts for the year ended 31 December 1994.

Principal activity

The company did not trade during the year under review. In the opinion of the directors there is likely to be no change in the activities of the company in the foreseeable future.

Directors

The directors of the company during 1994 were as follows:

J R L Dee
P R S Howie
A J Tuckley (Resigned 28 June 1994)

Directors' interests

The directors' interests in the share and loan capital of Burmah Castrol plc and its subsidiaries at 1 January 1994 and 31 December 1994 are shown below:

	Ordinary shares of £1 each		Options to subscribe for ordinary shares of £1 each			
	As at 1.1.94	As at 31.12.94	As at 1.1.94	Options granted	Options exercised/ cancelled	As at 31.12.94
J R L Dee	Nil	6,050	22,908	Nil	11,904	11,004
P R S Howie	Nil	54	3,180	6,518	Nil	9,698

FOSECO HOLDING INTERNATIONAL LIMITED**DIRECTORS REPORT** (continued)**Auditors**

Ernst & Young have expressed their willingness to continue in office as auditors. On 18 November 1994 in accordance with Section 386 of the Companies Act 1985, the Company passed an elective resolution to dispense with the need to appoint auditors annually.

By order of the board



E G Parker
Secretary
Registered Office
Burmah Castrol House
Pipers Way
Swindon
Wiltshire
SN3 1RE

16 June 1995

FOSECO HOLDING INTERNATIONAL LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF FOSECO HOLDING INTERNATIONAL LIMITED

We have audited the accounts on pages 5 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

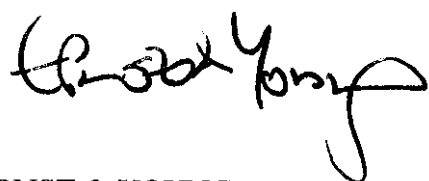
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
BIRMINGHAM


7 JUL 1995

FOSECO HOLDING INTERNATIONAL LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

Notes	1994 £	1993 £
Fixed assets:		
3 Investments in group undertakings	2,263,114	2,263,114
Current assets:		
4 Debtors	1,803	1,803
5 Creditors: amounts falling due within one year	5,102	5,102
Net current (liabilities)	(3,299)	(3,299)
Total assets less current liabilities	2,259,815	2,259,815
6 Creditors: amounts falling due after more than one year	1,606,765	1,606,765
	653,050	653,050
Capital and reserves:		
7 Called-up share capital	500,000	500,000
Capital reserve	67,868	67,868
8 Profit and loss account	85,182	85,182
	653,050	653,050

Approved by the board of directors on 16 June 1995 and signed on their behalf.



 Director

FOSECO HOLDING INTERNATIONAL LIMITED

NOTES ON THE ACCOUNTS

1. Parent undertaking

These accounts present information about the company as an individual undertaking and not about its group.

The company's ultimate parent undertaking is Burmah Castrol plc which is registered in Scotland and whose accounts are prepared in accordance with UK legislation and include a consolidated cash flow statement.

Group accounts are, therefore, not required by reason of Section 228 (1) of the Companies Act 1985, and the company is also exempt from the requirements of Financial Reporting Standard No 1 - 'Cash Flow Statements'.

The report and accounts of Burmah Castrol plc may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB. This is the parent undertaking of the smallest and largest group of which the company is a member and for which group accounts are prepared.

2. Accounting policies

- (a) The company did not trade during the year under review and accordingly a profit and loss account is not presented.
- (b) The accounts are prepared under the historical cost convention, in accordance with all applicable accounting standards.

3. Investment in group undertakings

	1994 £	1993 £
Shares at cost	5,000	5,000
Loans to subsidiary undertaking	2,258,114	2,258,114
	<hr/> 2,263,114 <hr/>	<hr/> 2,263,114 <hr/>

FOSECO HOLDING INTERNATIONAL LIMITED

NOTES ON THE ACCOUNTS (continued)

3. Investment in group undertakings (continued)

Name of subsidiary undertaking	Proportion holding	Held	Nature of business
Foseco (FS) Limited	Ordinary	100%	Agency Co
Held through subsidiary undertaking:			
Fosroc Mining & Tunnelling Ltd	Ordinary	100%	Inactive
Foseco Technik Limited	Ordinary	100%	Agency Co
H L Exports Limited	Ordinary	100%	Dormant

The above companies are registered in England.

In the opinion of the directors the value of the Company's interest in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

4. Debtors

	1994 £	1993 £
Amount owed by fellow subsidiary undertaking	500	500
Amount owed by parent undertaking	1,303	1,303
	<hr/>	<hr/>
	1,803	1,803
	<hr/>	<hr/>
Amounts falling due after more than one year and included in the debtors above are:		
Amount owed by fellow subsidiary undertaking	500	500
	<hr/>	<hr/>

FOSECO HOLDING INTERNATIONAL LIMITED

NOTES ON THE ACCOUNTS (continued)

5.	Creditors: amounts falling due within one year	1994 £	1993 £
	Amount owed to subsidiary undertaking	2,656	2,656
	Amount owed to fellow subsidiary undertaking	2,446	2,446
		<hr/> 5,102	<hr/> 5,102
		<hr/>	<hr/>
6.	Creditors: amounts falling due after more than one year		
	Amount due to parent undertaking	<hr/> 1,606,765	<hr/> 1,606,765
	The amount due to the parent undertaking is interest free and has no fixed terms of repayment.		
7.	Share capital		
	Authorised:		
	500,000 ordinary shares of £1 each	<hr/> 500,000	<hr/> 500,000
		<hr/>	<hr/>
	Allotted, issued and fully-paid:		
	500,000 ordinary shares of £1 each	<hr/> 500,000	<hr/> 500,000
		<hr/>	<hr/>
8.	Profit and loss account		
	Balance at 1 January and 31 December	<hr/> 85,182	<hr/> 85,182
		<hr/>	<hr/>