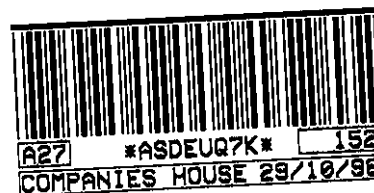


**DU PONT (U.K.) LIMITED**  
**(REGISTERED NUMBER 565289)**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 December 1995**



## **DU PONT (U.K.) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995**

The directors of DuPont (U.K.) Limited present their annual report together with the audited financial statements of the Company for the year ended 31 December 1995.

#### **DIRECTORS AND DIRECTORS' INTERESTS**

The following directors served during the year and up to the date of this report:

WO Walker	(Chairman, appointed Managing Director 18 January 1995)
PH McKie	(resigned 18 January 1996)
AP Strong	(resigned 31 December 1995)
PA Turton	(resigned 18 April 1996)
MC Mays	(resigned 28 February 1995)
J Kooger	(resigned 15 February 1996)
DJO Caffall	(resigned 4 March 1996)
CL Nathan	
P Mackey	
JR Kerr	(appointed 1 March 1995)
DHJ Mays	(appointed 1 November 1995)
MT Stewart	(appointed 1 November 1995)
RI Doig	(appointed 27 August 1996)

None of the directors had a beneficial interest in any contract to which the Company was a party during the year.

None of the directors had a beneficial shareholding in the Company or any other Company in the Conoco (U.K.) Limited group at any time during the year and up to the date of this report.

#### **PRINCIPAL ACTIVITY**

The Company's principal business activity is the manufacture, sale and distribution of chemical products. The business encompasses fibres, printing and publishing, polymers, chemicals and specialities, electronics and medical products. A subsidiary of the Company engages in investment activities.

#### **BUSINESS REVIEW**

The directors consider that the Company has performed satisfactorily in its chosen markets during the past year, and has shown an improvement in trading results following the restructuring which has taken place over the last two years.

## **DU PONT (U.K.) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **RESULTS AND DIVIDEND**

The Company made a profit for the financial year of £59,537,000 (1994 - £19,316,000).

A final dividend of £50,000,000 (1994 - £Nil) is proposed and hence retained profit of £9,537,000 (1994 - £19,316,000) will be added to reserves.

#### **RESEARCH AND DEVELOPMENT**

The Company's research and development programmes are primarily focused on the extension of existing product lines, quality improvements and cost reduction.

#### **FUTURE DEVELOPMENTS**

The directors consider that the company will continue to show an improvement in trading results in future years.

#### **FIXED ASSETS**

Additions to tangible fixed assets during the period amounted to £42,978,000 (1994 - £32,442,000) and represent the continuing investment in production plants in the UK.

#### **PERSONNEL**

It is the Company's policy to encourage full and fair consideration of disabled persons in connection with employment, training, career development and promotion opportunities.

The Company continues to provide its employees with regular information through its newspaper and magazines, bulletins, handbooks, videos and other internal communications. Additionally, managers keep employees specifically informed and consult them on those aspects of the business which affect them directly. The Company believes that such information and consultation enables employees to maximise their individual contributions towards the common aims of the business and to obtain maximum satisfaction from their participation.

## **DU PONT (U.K.) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each 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 assume 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**

The auditors, Price Waterhouse, have indicated their willingness to be re-appointed.

By Order of the Board



J LEIPER  
Secretary

17 Oct. 1996

Registered office:

Wedgwood Way  
Stevenage  
Hertfordshire  
SG1 4QN

*Price Waterhouse*



**AUDITORS' REPORT TO THE MEMBERS OF  
DU PONT (U.K.) LIMITED**

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 9.

**Respective responsibilities of directors and auditors**

As described on page 3 the Company's directors are responsible for the preparation of the 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 mis-statement, 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**PRICE WATERHOUSE**  
**Chartered Accountants**  
**and Registered Auditors**

17.10.1996

# DU PONT (U.K.) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes	Year ended 31 December 1995 £'000	Year ended 31 December 1994 £'000
<b>TURNOVER</b>	2	1,109,918	1,080,286
Cost of sales		<u>(889,399)</u>	<u>(892,365)</u>
<b>GROSS PROFIT</b>		220,519	187,921
Distribution costs		(37,777)	(38,175)
Administrative expenses		(45,359)	(52,450)
Other operating expenses		<u>(41,070)</u>	<u>(60,829)</u>
<b>OPERATING PROFIT</b>		96,313	36,467
Amounts written off investments		-	(949)
Profit on sale of business		-	2,969
Profit on sale of properties		<u>148</u>	<u>3,358</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		96,461	41,845
Interest receivable and similar income	4	4,019	1,980
Interest payable and similar charges	5	<u>(27,943)</u>	<u>(24,509)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	72,537	19,316
Tax on profit on ordinary activities	6	<u>(13,000)</u>	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		59,537	19,316
Dividend proposed		<u>(50,000)</u>	-
<b>RETAINED PROFIT FOR THE YEAR</b>		9,537	19,316
Profit and loss account brought forward		<u>80,659</u>	<u>61,343</u>
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>		<u>90,196</u>	<u>80,659</u>

The results for the year are derived wholly from continuing operations, and all recognised gains and losses for the year are included in the profit and loss account.

The notes on pages 7 to 18 form part of these financial statements

# DU PONT (U.K.) LIMITED

## BALANCE SHEET - 31 DECEMBER 1995

	Notes	1995 £'000	1994 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	302,720	313,734
Investments	9	<u>173,149</u>	<u>173,749</u>
		475,869	487,483
<b>CURRENT ASSETS</b>			
Stocks	10	75,645	107,460
Debtors	11	188,629	166,224
Cash at bank and in hand		<u>39,708</u>	<u>52,606</u>
		303,982	326,290
<b>CREDITORS (amounts falling due within one year)</b>	12	<u>(114,335)</u>	<u>(61,965)</u>
<b>NET CURRENT ASSETS</b>		<u>189,647</u>	<u>264,325</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		665,516	751,808
<b>CREDITORS (amounts falling due after more than one year)</b>	13	(288,321)	(350,687)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	(14,732)	(46,481)
<b>ACCRUALS AND DEFERRED INCOME</b>	15	<u>(15,826)</u>	<u>(17,540)</u>
		346,637	337,100
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	167,364	167,364
Share premium account		5,410	5,410
Other capital reserves		83,667	83,667
Profit and loss account		<u>90,196</u>	<u>80,659</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>346,637</u>	<u>337,100</u>

The notes on pages 7 to 18 form part of these financial statements.

Approved by the Board on 17 OCT 1996

  
J R Kerr  
DIRECTOR

## **DU PONT (U.K.) LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1995**

#### **1 ACCOUNTING POLICIES**

##### **(1) Basis of preparation**

The financial statements have been prepared under the historical cost convention as modified to include the current costing of a deferred liability and are in accordance with applicable accounting standards

At 31 December 1995 DuPont (U.K.) Limited was a wholly owned subsidiary of Conoco (U.K.) Limited, a company incorporated in England, and therefore under Section 229(2) of the Companies Act 1985, is exempt from producing group accounts. Under paragraph 8(c) of Financial Reporting Standard Number 1, the company is also exempt from producing a cash flow statement.

##### **(2) Turnover**

Turnover represents the amounts receivable for goods sold and services provided after deducting VAT.

##### **(3) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation except for freehold land and assets in the course of construction.

Depreciation is provided on a straight line or sum of the digits basis to write off the cost of tangible fixed assets over their estimated useful lives which are:

Freehold land	Nil
Freehold and leasehold buildings	35 to 50 years
Long life fixtures, fittings and equipment	6 to 10 years
Plant and machinery	10 years
Short life equipment and computer hardware	3 to 6 years

Leasehold improvements are depreciated over the life of the lease if shorter than 10 years, or at the fixtures and fittings rates given above.

##### **(4) Government grants**

Government capital grants received on fixed asset additions are treated as deferred income and included in the balance sheet as Accruals and Deferred Income. The grants are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

Interest relief grants are credited to the profit and loss account as and when they become receivable.

##### **(5) Assets in the course of construction**

Direct costs, including own labour, incurred on construction of plant and machinery for use by the company are capitalised. These costs are included in tangible assets as "assets in the course of construction" until the asset is operational. No depreciation is provided until an asset is operational.



## **DU PONT (U.K.) LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)**

#### **1 ACCOUNTING POLICIES (CONTINUED)**

##### **(6) Patents and technical information**

Patents and technical information are stated at cost less amortisation provided at the rates of 10% or 20% per annum.

##### **(7) Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises purchase price or direct production cost together with Customs and Excise duties, freight and manufacturing overheads as appropriate.

##### **(8) Research and development expenditure**

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

##### **(9) Foreign currency balances**

Assets and liabilities denominated in foreign currencies, primarily intercompany accounts, are translated into sterling at the rates of exchange prevailing at the balance sheet date.

Transactions denominated in foreign currencies occurring during the course of the year are translated into sterling at the rates of exchange prevailing at the dates of those transactions. All exchange differences are included in the profit and loss account.

##### **(10) Deferred taxation**

A deferred taxation provision, calculated using the liability method, is made only where the effects of timing differences between profits as stated in the accounts and those as computed for taxation purposes are likely to reverse in the foreseeable future.

In computing the company's taxation liability, full benefit is taken for non-taxable government grants received in respect of eligible expenditure.

##### **(11) Operating leases**

Rentals under operating leases are charged to the profit and loss account as they are incurred over the lease term.

## DU PONT (U.K.) LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### (12) Finance leases

Assets held under finance leases, whereby substantially all the risks and rewards of ownership are transferred, are included in tangible fixed assets at their purchase cost and depreciated over the useful life of the assets. The capital element of the leasing commitment is shown as amounts payable under finance leases and the interest element of the finance charge is charged against profits over the primary lease period.

##### (13) Pensions

The expected cost of pensions in respect of the company's defined benefit pension scheme is charged to the profit and loss account over the estimated working lifetimes of employees in the scheme. Actuarial surpluses and deficits are spread over the remaining expected working lifetimes of employees.

##### (14) Goodwill

Goodwill on acquisition is capitalised and amortised over its estimated economic life.

##### (15) Deferred Liability

Deferred consideration relating to acquisitions is stated at its net present value at the balance sheet date, based on appropriate discount rates.

#### 2 TURNOVER

The analysis of turnover by class of business is as follows:

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Fibres	593,944	577,283
Printing and publishing	203,716	195,389
Polymers	168,735	172,140
Chemicals and specialities	63,110	59,881
Electronics	42,450	39,225
Medical products	25,893	25,772
Other	<u>12,070</u>	<u>10,596</u>
	<u>1,109,918</u>	<u>1,080,286</u>

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 2 TURNOVER (CONTINUED)

The analysis of turnover by geographical destination is as follows:

	<u>1995</u> £'000	<u>1994</u> £'000
UK	521,869	522,402
Exports to Europe	516,479	482,028
Exports outside Europe	<u>71,570</u>	<u>75,856</u>
	1,109,918	1,080,286

The directors are of the opinion that disclosure of the result attributable to each class of business or geographical market would be seriously prejudicial to the Company.

### 3 (1) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

	<u>1995</u> £'000	<u>1994</u> £'000
Directors' emoluments including pension contributions (Note 18)	933	523
Depreciation - Owned assets	51,378	71,026
- Assets held under finance leases	4	14
Capital grants credited	(3,019)	(4,773)
Operating lease rental - hire of plant and machinery	2,966	2,693
- other	445	463
Auditors' remuneration, including expenses - audit	215	231
- other services	-	-
Research and development expenditure	11,319	16,120
Profit on disposal of fixed assets	(135)	(4,598)
Exchange gains	(5,152)	(2,865)
Exceptional re-organisation costs release	<u>(8,360)</u>	<u>(21,580)</u>

### (2) STAFF COSTS

	<u>1995</u> £'000	<u>1994</u> £'000
Wages and salaries	112,744	142,231
Social security costs	8,900	9,878
Other pension costs	<u>21,209</u>	<u>26,170</u>
	142,853	178,279

The average number of persons employed during the period was 4,566 (1994 - 4,969).

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Bank deposits	3,834	1,690
Group undertakings	<u>185</u>	<u>290</u>
	4,019	1,980
	<u>      </u>	<u>      </u>

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Bank borrowings repayable within five years	816	511
Accrued interest on deferred liability	2,230	2,095
Payable to group undertakings	24,845	21,891
Other	<u>52</u>	<u>12</u>
	27,943	24,509
	<u>      </u>	<u>      </u>

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge based on the profit on ordinary activities comprises:

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Corporation tax at 33% (1994 - 33%)		
- current year	16,078	-
- prior periods	(3,078)	-
Deferred tax (Note 14)	<u>-</u>	<u>-</u>
	13,000	-
	<u>      </u>	<u>      </u>

No deferred tax provision has been made for accelerated capital allowances and other timing differences since, in the opinion of the directors, these will not reverse in the foreseeable future (Note 14).

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 7 TANGIBLE ASSETS

	Land and buildings £'000	Motor vehicles fixtures, fittings and equipment £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
<b><u>Cost</u></b>					
At 31 December 1994	92,087	31,563	497,973	40,285	661,908
Additions	36	2,521	304	40,117	42,978
Construction					
allocations and transfers	538	2,526	23,850	(27,060)	(146)
Disposals	(1,735)	(7,094)	(6,680)	(44)	(15,553)
At 31 December 1995	90,926	29,516	515,447	53,298	689,187
<b><u>Depreciation</u></b>					
At 31 December 1994	29,643	22,353	296,178	-	348,174
Charge for period	2,691	2,415	46,278	-	51,384
Disposals	(1,226)	(4,945)	(6,920)	-	(13,091)
At 31 December 1995	31,108	19,823	335,536	-	386,467
<b><u>Net book amount</u></b>					
At 31 December 1995	59,818	9,693	179,911	53,298	302,720
At 31 December 1994	62,444	9,210	201,795	40,285	313,734

The net book amount of land and buildings comprises:

	1995 £'000	1994 £'000
Freehold land and buildings	59,742	61,480
Long leasehold land and buildings	76	964
	59,818	62,444

The net book value of tangible fixed assets includes an amount of £94,000 (1994 - £9,000) in respect of assets held under finance leases. The amount of depreciation charged during the period in relation to such assets was £4,000 (1994 - £14,000).

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 8 CAPITAL COMMITMENTS

The company's authorised capital expenditure commitment at 31 December 1995 amounted to £12,406,000 (1994 - £18,203,000) of which contracted commitments amounted to £830,000 (1994 - £9,732,000).

### 9 INVESTMENTS

	Subsidiary undertakings			Total £'000
	Shares £'000	Loans £'000	Other £'000	
<b><u>Cost</u></b>				
At 31 December 1994	8,581	8,271	166,177	183,029
Repayments	-	(600)	-	(600)
At 31 December 1995	8,581	7,671	166,177	182,429
<b><u>Provisions</u></b>				
At 31 December 1994 and 1995	3,609	5,671	-	9,280
<b><u>Net book amount</u></b>				
At 31 December 1995	4,972	2,000	166,177	173,149
At 31 December 1994	4,972	2,600	166,177	173,749

The following companies were the principal operating subsidiaries of DuPont (U.K.) Limited at 31 December 1995 and were all registered and operating in England.

	<u>Nature of business</u>	<u>% of share capital</u>
DUK Shipping Limited	Ship owner and operator	100%
Camtex Fabrics Limited	Shoe lining manufacturer	100%
DuPont (U.K.) Investments	Investment company	100%
IDAC UK Limited	Manufacture of automotive paints and finishes	100%

During the year Camtex Fabrics Limited repaid £600,000 of the loan of £2,600,000 made in 1994.

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

10	STOCKS	<u>1995</u> £'000	<u>1994</u> £'000
	Raw materials and consumables	20,137	32,044
	Work in progress	4,805	3,575
	Finished goods and goods for resale	<u>50,703</u>	<u>71,841</u>
		75,645	107,460
		<u><u>          </u></u>	<u><u>          </u></u>

In the opinion of the directors, the replacement cost of stocks is not materially different to the balance sheet value.

11	DEBTORS	<u>1995</u> £'000	<u>1994</u> £'000
	Trade debtors	103,519	109,844
	Amounts owed by group undertakings	74,731	38,017
	Other debtors	8,500	10,714
	Corporation tax	-	4,982
	Prepayments and accrued income	<u>1,879</u>	<u>2,667</u>
		188,629	166,224
		<u><u>          </u></u>	<u><u>          </u></u>

12	CREDITORS (amounts falling due within one year)	<u>1995</u> £'000	<u>1994</u> £'000
	Bank loans and overdrafts	1,878	-
	Trade creditors	44,183	50,383
	Amounts owed to group undertakings	44,416	3,793
	Corporation tax	14,634	-
	Other creditors	1,986	1,895
	Taxation and social security	2,181	2,870
	Accruals and deferred income	<u>5,057</u>	<u>3,024</u>
		114,335	61,965
		<u><u>          </u></u>	<u><u>          </u></u>

# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 13 CREDITORS (amounts falling due after more than one year)

	<u>1995</u> £'000	<u>1994</u> £'000
Loans from group undertakings	251,000	314,000
Amounts payable under finance leases repayable between one and five years	79	8
Deferred liability	27,242	26,012
Other creditors	<u>10,000</u>	<u>10,667</u>
	<u>288,321</u>	<u>350,687</u>

The deferred liability represents the net present value of payments due to ICI over the period to its Fibres division, acquired in July 1993.

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred tax</u> £'000	<u>Pensions and similar obligations</u> £'000	<u>Restructuring provisions</u> £'000	<u>Total</u> £'000
At 31 December 1994	-	8,234	38,247	46,481
Expended/utilised during the year	-	(1,861)	(18,546)	(20,407)
Released during the year	<u>-</u>	<u>(2,982)</u>	<u>(8,360)</u>	<u>(11,342)</u>
At 31 December 1995	<u>-</u>	<u>3,391</u>	<u>11,341</u>	<u>14,732</u>

Pensions and similar obligations includes an amount of £1,033,000 (1994 - £4,097,000) in respect of a deficit on the company pension schemes which is being spread over a period of 13 years as described in note 19.

At 31 December 1995 the full potential liability for deferred taxation at 33% (1994 - 33%) comprised:

	<u>1995</u> £'000	<u>1994</u> £'000
Capital allowances claimed for tax purposes in excess of depreciation charged in the accounts	42,648	44,735
Short-term timing differences	<u>(2,905)</u>	<u>(13,679)</u>
	<u>39,743</u>	<u>31,056</u>



# DU PONT (U.K.) LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

### 15 ACCRUALS AND DEFERRED INCOME

	£'000
At 31 December 1994	17,540
New capital grants	1,305
Released to profit and loss account	<u>(3,019)</u>
At 31 December 1995	<u>15,826</u>

### 16 CALLED UP SHARE CAPITAL

	£'000
At 31 December 1994 and 1995:	
Authorised:	
200,000,000 Ordinary shares of £1 each	200,000
	<u>          </u>
Allotted, called up and fully paid:	
167,363,540 Ordinary shares of £1 each	167,364
	<u>          </u>

### 17 MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u> £'000	<u>1994</u> £'000
Retained profit for the financial year	9,537	19,316
New share capital subscribed	<u>-</u>	<u>155,000</u>
Net addition to shareholders' funds	9,537	174,316
Opening shareholders' funds	<u>337,100</u>	<u>162,784</u>
Closing shareholders' funds	<u>346,637</u>	<u>337,100</u>

Shareholders' funds are all attributable to equity interests.

## DU PONT (U.K.) LIMITED

### NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)

#### 18 PARTICULARS OF DIRECTORS

The emoluments, excluding pension contributions, of the chairman (being also the highest paid director) were:

	<u>1995</u> £'000	<u>1994</u> £'000
Chairman	162	112
	==	==

The emoluments of all directors, excluding pension contributions, were within the following ranges:

	<u>1995</u> Number	<u>1994</u> Number
£0 - £ 5,000	4	3
£ 5,001 - £ 10,000	1	-
£ 50,001 - £ 55,000	1	-
£ 70,001 - £ 75,000	-	1
£ 80,001 - £ 85,000	1	1
£ 85,001 - £ 90,000	1	1
£ 90,001 - £ 95,000	-	1
£ 95,001 - £100,000	1	-
£105,001 - £110,000	1	-
£110,001 - £115,000	-	1
£115,001 - £120,000	1	-
£160,001 - £165,000		
	==	==

#### 19 PENSION COSTS

The company operates two pension schemes providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company, being invested in trustee administered funds. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

##### Scheme A

The most recent valuation was as at 31 December 1991. The next evaluation of the scheme's assets, has been performed at 31 December 1994, however its results are only in draft format and have not yet been recognised.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries. It was assumed that the investment returns would be 9% per annum and that salary increases would average between 6.5% and 8.5% per annum.

## **DU PONT (U.K.) LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 1995 (CONTINUED)**

#### **19 PENSION COSTS (CONTINUED)**

The pension charge for the period was £19,296,000 (1994 - £23,328,000). This includes a credit of £1,759,000 (1994 - charge of £1,106,000) in respect of the amortisation of experience surpluses that are being recognised over 13 years, the average remaining service life of employees. At 31 December 1995 there was an accrual in respect of pensions of £651,000 (1994 - £3,328,000) (see note 14).

The most recent valuation showed that the market value of the scheme's assets was £114,648,000 and that the actuarial value of those assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. However, the valuation excludes the effect of the transfer of ex ICI assets into a newly formed special section within the fund. This will be evaluated in the next actuarial valuation which will be as at 31 December 1994 which is not yet finalised.

##### **Scheme B**

The most recent actuarial valuation was as at 6 April 1993. This showed that the market value of the scheme's assets was £25,336,000 and that the actuarial value of those assets represented 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings. It was assumed that investment returns would be 9% per annum and that salary increases would average between 6.5% and 8.5% per annum.

The pension charge for the period was £1,913,000 (1994 - £2,842,000). This includes £445,000 (1994 - £604,000) in respect of the amortisation of the past service deficit in the scheme, which is being recognised over 13 years, the average remaining service life of employees. At 31 December 1995 there was an accrual in respect of pensions of £382,000 (1994 - £769,000) (see Note 14).

#### **20 GUARANTEES AND CONTINGENT LIABILITIES**

At 31 December 1995 the Company had given specific counter indemnities of £7,395,736 (1994 - £6,408,000) in respect of bonds given on its behalf to HM Customs & Excise and others.

#### **21 ULTIMATE HOLDING COMPANY**

The Company is a wholly owned subsidiary of Conoco (U.K.) Limited, registered in England. The ultimate holding company is El du Pont de Nemours and Company, incorporated in the state of Delaware, USA. Group accounts for the smallest and largest groups for which group accounts are prepared may be obtained from the following address:

DuPont (U.K.) Limited  
Wedgwood Way  
Stevenage  
Hertfordshire  
SG1 4QN