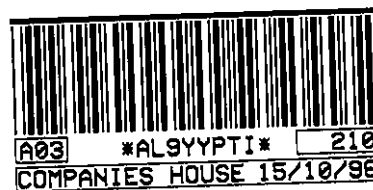


**TMR INTERNATIONAL LIMITED**

**Report and Financial Statements**

**31 December 1995**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J W Allport (Appointed 21. 6.95; resigned 1.3.96)  
B M Baudier (Appointed 1.3.96)  
D J Blezard  
F Clemenceau (Appointed 1.3.96; resigned 20.5.96)  
Y J M Drapeau (Resigned 21.6.95)  
G Covinhes (Appointed 20.5.96)  
N A de Roudneff (Resigned 1.3.96)  
L M Weiss

**SECRETARY**

J M J Boxer

**REGISTERED OFFICE**

73 Welbeck Street  
London W1M 7HA

**AUDITORS**

Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

### **ACTIVITIES**

TMR International Limited is the administrative services company for the TMR Group.

### **REVIEW OF DEVELOPMENTS, FUTURE PROSPECTS AND GOING CONCERN MATTERS**

The activities of the Company have been significantly curtailed with effect from 1 July 1994 and it is intended that the Company will ultimately cease trading. Accordingly, the financial statements have not been prepared on a going concern basis.

The Company made a retained profit for the year ended 31 December 1995 of \$271,335. The directors estimate that no further provisions are required in respect of operations subsequent to 31 December 1995 nor in respect of the cessation of trade.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The profit for the year of \$271,335 (1994 loss - \$136,100) has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **DIRECTORS**

The present membership of the Board and changes since 1 January 1995 are set out on page 1.

None of the directors had any disclosable beneficial interests in the shares of the Company or any other group company during the year.

### **POLITICAL AND CHARITABLE DONATIONS**

The Company made no political or charitable donations in 1995.

### **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. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



J M J Boxer

7 August 1996

## **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 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. 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.

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. 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.



## Chartered Accountants

Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR

Telephone: National 0171 936 3000  
International + 44 171 936 3000  
Telex: 884739 TRLNDN G  
Fax (Gp. 3): 0171 583 8517  
LDE: DX 599

## AUDITORS' REPORT TO THE MEMBERS OF TMR INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7. As disclosed in note 2, the financial statements have not been prepared on a going concern basis.

### Respective responsibilities of directors and auditors

As described on page 3 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 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.

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
London

7 August 1996

Hill House  
1 Little New Street  
London EC4A 3TR

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1995**

	Note	1995 US\$	1994 US\$ as restated (see note 4)
<b>TURNOVER</b>	3	-	709,479
Administrative expenses		(13,420)	(633,419)
<b>OPERATING (LOSS)/PROFIT</b>		(13,420)	76,060
Other interest receivable and similar income		3,397	20,341
Interest payable and similar charges	6	-	(24,070)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	(10,023)	72,331
Tax on (loss)/profit on ordinary activities	8	281,358	(208,431)
<b>Retained profit/(loss) for the financial year</b>	12	<u>271,335</u>	<u>(136,100)</u>

All activities relate to discontinued operations.

There are no recognised gains or losses and no movements in shareholders' funds for the current financial year and preceding financial year other than as stated in the profit and loss account.

A statement of the movement on reserves appears in note 12.

**BALANCE SHEET**  
**31 December 1995**

	Note	1995 US\$	1994 US\$ as restated (see note 4)
<b>CURRENT ASSETS</b>			
Debtors	9	55,928	15,602
		<u>55,928</u>	<u>15,602</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(12,677)	(243,686)
		<u>(12,677)</u>	<u>(243,686)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>43,251</u>	<u>(228,084)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	168	168
Profit and loss account	12	43,083	(228,252)
		<u>43,251</u>	<u>(228,084)</u>

These financial statements were approved by the Board of Directors on 7 August 1996.

Signed on behalf of the Board of Directors



LAWRENCE M WEISS

Director



## NOTES TO THE ACCOUNTS

Year ended 31 December 1995

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention. The financial statements are prepared in US dollars as this is the functional currency of the TMR Group which the Company services.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into US dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences are dealt with in the profit and loss account.

## 2. GOING CONCERN

The investors in the TMR Group have performed a review of activities across the group following continued operational difficulties experienced by the group's investments.

The activities of the Company were significantly curtailed with effect from 1 July 1994 and it is intended that the Company will ultimately cease trading. Accordingly, the financial statements have not been prepared on a going concern basis. Provision has been made in respect of amounts due but not expected to be received from related companies.

The directors estimate that no further provisions are required in respect of operations subsequent to 31 December 1995 nor in respect of the cessation of trade.

## 3. TURNOVER

Turnover represents service charges to group companies.

## 4. PRIOR PERIOD ADJUSTMENT

The prior period adjustment represents the correction of a fundamental error as a result of which a certificate of tax deposit for \$108,936 was recognised twice in the 1994 financial statements.

The prior period adjustment gives rise to a debit adjustment of \$108,936 to the corporation tax charge for 1994 and a credit adjustment of \$108,936 to debtors, resulting in a debit adjustment to reserves of \$108,936.

## 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any remuneration from the Company during the year.

	1995 US\$	1994 US\$
<b>Employee costs during the year</b>		
Wages and salaries	-	202,317
Social security costs	-	59,262
	-	261,579
	No.	No.
<b>Average number of persons employed</b>		
Administration	-	4

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	1995 US\$	1994 US\$
Bank loans and overdrafts repayable within 5 years	-	6,445
Loss on foreign exchange	-	17,625
	<u>-</u>	<u>24,070</u>

**7. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1995 US\$	1994 US\$
(Loss)/profit on ordinary activities before taxation is after charging: Auditors' remuneration	-	5,806
	<u>-</u>	<u>5,806</u>

The remuneration of the auditors is borne by an associated company.

**8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

	1995 US\$	1994 US\$ as restated (see note 4)
United Kingdom corporation tax at 33% (1994 - 33%) based on the (loss)/profit for the year	-	(16,255)
	-	(16,255)
Adjustment in respect of prior years	(281,358)	224,686
	<u>(281,358)</u>	<u>208,431</u>

The tax credit arises in respect of prior years' tax liabilities which have now been agreed by the Inland Revenue.

**9. DEBTORS**

	1995 US\$	1994 US\$ as restated (see note 4)
Other debtors	55,928	15,602
	<u>55,928</u>	<u>15,602</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1995 US\$	1994 US\$
Bank loans and overdrafts	-	13,951
Other creditors	12,677	-
Corporation tax payable	-	228,365
Accruals and deferred income	-	1,370
	<u>12,677</u>	<u>243,686</u>

**11. CALLED UP SHARE CAPITAL**

	1995 US\$	1994 US\$
Authorised		
100 ordinary shares of £1 each	<u>168</u>	<u>168</u>
Allotted and fully paid		
100 ordinary shares of £1 each	<u>168</u>	<u>168</u>

**12. PROFIT AND LOSS ACCOUNT**

	1995 US\$
Balance at 1 January as previously stated	(119,316)
Prior year adjustment (see note 4)	<u>(108,936)</u>
Balance at 1 January as restated	(228,252)
Retained profit for the financial year	<u>271,335</u>
Balance at 31 December	<u>43,083</u>

**13. ULTIMATE PARENT COMPANY**

The company's parent company is TMR Energy Limited, a company registered in Cyprus, which is owned on an equal basis by Glencore International AG and Innovorex S.A., a member of the TOTAL Group.