

**Heidelberger Fuels Limited (formerly Scancem  
Energy Limited)**

**Directors' report and financial  
statements**

**Registered number 3568686**

**For the year ended 31 December 2000**



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## **Directors' information and advisors**

<b>Directors</b>	H Thijssen RAS Clayton EHG Ericsson PW Weller CHSJ Meyers BE Ahlkvist DJ Carr
<b>Secretary</b>	DJ Carr
<b>Registered office</b>	10 <sup>th</sup> Floor West Bowater House 68-114 Knightsbridge London SW1X 7LT  Registered number 3568686
<b>Auditors</b>	KPMG 2 Cornwall Street Birmingham B3 2DL

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The principal activities of the company are the purchase and sale of coal and petcoke on behalf of the Heidelberger Group of Companies.

### Business review

The profit and loss account for the year shows a profit after taxation of £494,000 (1999: £209,000).

### Results and dividends

The results for the year are set out on page 5.

The directors do not propose a final dividend.

### Directors and directors' interests

The present directors of the company and those who served during the year are listed below:

BI Willerström (resigned 24 January 2000)  
HH Fernvik (resigned 9 February 2000)  
G Syvertsen (appointed 9 February 2000, resigned 18<sup>th</sup> January 2001)  
EHG Ericsson  
PW Weller  
RAS Clayton  
CHSJ Meyers  
H Thijssen (appointed 9 February 2000)  
DJ Carr (appointed 9 February 2000)  
BE Ahlkvist (appointed 2 February 2001)

By order of the board



**DJ Carr**  
*Secretary*

10<sup>th</sup> Floor West  
Bowater House  
68-114 Knightsbridge  
London  
SW1X 7LT

Date: 15<sup>th</sup> June 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 state of affairs of the company and of the profit or loss for that year. 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 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.



2 Cornwall Street  
Birmingham  
B3 2DL

## **Report of the auditors to the members of Heidelberg Fuels Limited (formerly Scancem Energy Limited)**

We have audited the financial statements on pages 5 to 11.

### ***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### ***Basis of audit 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 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**

**KPMG**

*Chartered Accountants*

*Registered Auditors*

1st June 2001

**Profit and loss account**  
*for the year ended 31 December 2000*

	<i>Note</i>	<b>2000</b> <b>£000</b>	1999 £000
<b>Turnover</b>	<b>2</b>	<b>22,710</b>	17,987
Cost of sales		<b>(21,424)</b>	(16,651)
<b>Gross profit</b>		<b>1,286</b>	1,336
Administrative expenses		<b>(525)</b>	(925)
<b>Operating profit</b>	<b>3</b>	<b>761</b>	411
Interest receivable		<b>61</b>	50
Interest payable and similar charges	<b>6</b>	<b>(105)</b>	(120)
<b>Profit on ordinary activities before taxation</b>		<b>717</b>	341
Tax on profit on ordinary activities	<b>7</b>	<b>(223)</b>	(135)
<b>Profit for the financial year</b>	<b>14</b>	<b>494</b>	206

All items dealt with in arriving at profit on ordinary activities before taxation relate to continuing activities.

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

**Balance sheet**  
*at 31 December 2000*

	Note	2000 £000	1999 £000
<b>Fixed assets</b>			
Tangible assets	8	27	40
<b>Current assets</b>			
Stocks	9	532	1,528
Debtors	10	2,858	1,961
		<u>3,390</u>	<u>5,341</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(2,217)</u>	<u>(706)</u>
<b>Net current assets</b>		<u>1,173</u>	<u>4,635</u>
<b>Total assets less current liabilities</b>		<u>1,200</u>	<u>4,675</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	-	(3,969)
<b>Net assets</b>		<u>1,200</u>	<u>706</u>
<b>Capital and reserves</b>			
Called up share capital	13	500	500
Profit and loss account	14	700	206
<b>Equity shareholders' funds</b>	15	<u>1,200</u>	<u>706</u>

These financial statements were approved by the board of directors on 1st June 2001 and were signed on its behalf by:

  
**RAS Clayton**  
 Managing Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently 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 in accordance with applicable Accounting Standards and under the historical cost convention, modified by the revaluation of certain fixed assets.

#### *Cash flow statement*

Under Financial Reporting Standard No 1 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.

#### *Turnover*

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deducting trade discounts and value added tax.

#### *Foreign currencies*

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Fixed assets*

The cost of other tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets (excluding investment properties), less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The useful economic lives are considered to be:

Motor vehicles	- 3 years
Computer Equipment	- 3 years

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs and other costs incurred in bringing stock to a saleable condition.

#### *Pensions*

Contributions to the company's defined benefit pension schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes.

## Notes (continued)

### 2 Turnover

	2000 £000	1999 £000
Inter-company sales	18,023	17,207
External sales	4,687	780
	<u>22,710</u>	<u>17,987</u>

All sales are made within the United Kingdom.

### 3 Operating profit

	2000 £000	1999 £000
<i>Operating profit is stated</i>		
<i>after (crediting)/charging</i>		
Depreciation of tangible fixed assets	13	31
Auditors' remuneration (including expenses)	3	8
	<u>16</u>	<u>39</u>

### 4 Directors' emoluments

	2000 £000	1999 £000
Total emoluments	68	10
Pension contributions	7	-
	<u>75</u>	<u>10</u>

### 5 Employee information

The average weekly number of persons employed by the company, including executive directors, during the year is analysed below:

	Number of employees	
	2000	1999
Office and management	3	3
Directors	6	6
	<u>9</u>	<u>9</u>

## Notes (continued)

### 5 Employee information (continued)

Direct Employment Costs - all employees including executive directors:

	2000 £000	1999 £000
Wages and salaries	164	232
Social security costs	16	15
Pension costs	14	8
	<u>194</u>	<u>255</u>

### 6 Interest payable and similar charges

	2000 £000	1999 £000
Group company loans	105	120
	<u>105</u>	<u>120</u>

### 7 Taxation

	2000 £000	1999 £000
Current UK corporation tax at 30%:	268	135
Deferred tax	(45)	-
	<u>223</u>	<u>135</u>

### 8 Tangible fixed assets

	Motor vehicles £000	Computer equipment £000	Total £000
<b>Cost</b>			
At beginning of year and end of year	23	48	71
	<u>23</u>	<u>48</u>	<u>71</u>
<b>Depreciation</b>			
At beginning of year	5	26	31
Charge for year	-	13	13
	<u>5</u>	<u>39</u>	<u>44</u>
At end of year	5	39	44
	<u>5</u>	<u>39</u>	<u>44</u>
<b>Net book value</b>			
At 31 December 2000	18	9	27
	<u>18</u>	<u>9</u>	<u>27</u>
At 31 December 1999	18	22	40
	<u>18</u>	<u>22</u>	<u>40</u>

**Notes (continued)**

**9 Stocks**

	<b>2000</b>	1999
	<b>£000</b>	£000
Coal stocks	<b>532</b>	1,528

**10 Debtors**

	<b>2000</b>	1999
	<b>£000</b>	£000
Trade debtors	<b>874</b>	328
Amounts owed by group undertaking	<b>1,863</b>	1,333
Other debtors	<b>121</b>	300
	<b>2,858</b>	1,961

**11 Creditors: Amounts falling due within one year**

	<b>2000</b>	1999
	<b>£000</b>	£000
Trade creditors	<b>1,022</b>	473
Amounts owed to group undertakings	<b>684</b>	120
Corporation tax payable	<b>202</b>	110
Accrued expenses	<b>309</b>	3
	<b>2,217</b>	706

**12 Creditors: Amounts falling due after more than one year**

	<b>2000</b>	1999
	<b>£000</b>	£000
Amounts owed to group undertakings	<b>-</b>	3,969

**13 Called up share capital**

	<b>2000</b>	1999
	<b>£000</b>	£000
<i>Authorised:</i>		
20 million ordinary shares of £1 each	<b>20,000</b>	20,000
<i>Allotted, called up and fully paid:</i>		
500,000 ordinary shares of £1 each	<b>500</b>	500

## Notes (continued)

### 14 Profit and loss account

	£000
At 1 January 2000	206
Profit for the year	494
	<hr/>
At 31 December 2000	700
	<hr/>

### 15 Reconciliation of movement in shareholders' funds

	2000 £000	1999 £000
Profit for the financial year	494	206
Opening shareholders' funds	706	-
Shares issued	-	500
	<hr/>	<hr/>
Closing shareholders' funds	1,200	706
	<hr/>	<hr/>

### 16 Ultimate parent companies

The ultimate controlling party is Heidelberger Zement AG. Copies of the consolidated financial statements of Heidelberger Zement AG may be obtained from Berliner Strasse 6, D-69120 Heidelberg, Germany.

### 17 Capital commitments

There are no capital commitments or contingent liabilities at the year end (1999: £Nil).