

Scancem Energy Limited

Directors' report and financial statements

31 December 1998

Registered number 3568686



Scancem Energy Limited

Directors' report

The directors submit their annual report and the financial statements for the period ended 31 December 1998.

Business review

The company was incorporated on 18 May 1998. It has not carried out any trading activity during the period. All expenses were met by Castle Cement Limited, another UK Company in the same group.

The company is exempt from the obligation to appoint auditors as otherwise required by the Companies Act 1985, Section 384 in respect of the period ended 31 December 1998.

Since the period end, the company has commenced trading in coal, petcoke and other fossil fuels.

Dividend

The directors do not propose the payment of a dividend.

Directors and directors' interests

The present directors who served during the year are as follows:

Rutland Directors Limited	(resigned 27 May 1998)
P W Weller	(appointed 27 May 1998)
B I Willerström	(appointed 27 May 1998)
E H Ericsson	(appointed 27 May 1998)
H H Fernvik	(appointed 27 May 1998)

Since the period end, Mr R A S Clayton has been appointed a director with effect from 1 January 1999.

No director has any interest in the shares of the company or Scancem Group Limited, its holding company, or in any of its subsidiaries at any time during the period ended 31 December 1998.

Directors' and officers' liability insurance

The company has maintained directors' and officers' liability insurance throughout the period of this report.

Scancem Energy Limited

Post balance sheet event

Since the period end, the company has acquired a coal trading business and commenced trading in the UK and overseas.

By order of the board



I M Mander
Secretary

15 September 1999

Registered office

Park Square
3160 Solihull Parkway
Birmingham Business Park
Birmingham
B37 7YN

Scancem Energy Limited

Profit and loss account for the period ended 31 December 1998

During the financial period the company received no income and incurred no expenditure. Consequently, during the period the company made neither profit nor loss.

Balance sheet at 31 December 1998

	Note	1998 £
NET CURRENT ASSETS		
Cash at bank		<u>1</u>
CAPITAL AND RESERVES		
Called up share capital	3	<u>1</u>

The company was dormant throughout the financial period ended 31 December 1998.

These financial statements were approved by the board of directors on 15 September 1999 and were signed on its behalf by:



P W Weller
Director

Scancem Energy Limited

Notes

(forming part of the financial statements)

1. Accounting policies

The financial statements have been prepared under the historical cost convention.

2. Directors' remuneration

None of the directors were remunerated during the period.

3. Called up share capital

	1998 £
Authorised	
20,000,000 ordinary shares of £1 each	<u><u>20,000,000</u></u>
Issued and fully paid	
1 ordinary share of £1 each	<u><u>1</u></u>

Since the period end, a further 499,999 ordinary shares of £1 each were allotted to the immediate parent company on 8 February 1999.

4. Ultimate parent companies

The company's ultimate parent company is Heidelberger Zement AG a company incorporated in Germany. Copies of the consolidated financial statements of Heidelberger Zement AG may be obtained from Berliner Straße 6, D-69120 Heidelberg, Germany.

The company's immediate parent and ultimate UK holding company is Scancem Group Limited which is incorporated in Great Britain and registered in England and Wales.