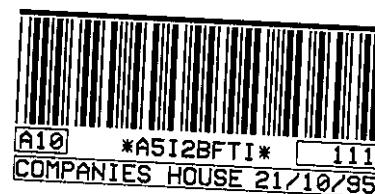


C & B COAL COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1995

CO. NO. 1,547,430

HAYES & CO.
Chartered Accountants
6 Eckersley Precinct
Alma Street
Atherton
Manchester



**AUDITORS' REPORT TO THE DIRECTORS OF C & B COAL COMPANY LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 1 to 3 together with the financial statements of C & B Coal Company Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statements on page 1 and whether the abbreviated accounts have been properly prepared.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 March 1995 and the abbreviated accounts on pages 1 to 3 have been properly prepared in accordance with that Schedule.

Other information

On 18 October 1995 we reported, as auditors of C & B Coal Company Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1995, and our audit report was as follows:-

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies on page 6.

Respective responsibilities of directors and auditors

As described on page 2, 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 at 31 March 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hayes & Co
HAYES & CO. Chartered Accountants/Registered Auditors
Manchester

C & B COAL COMPANY LIMITED

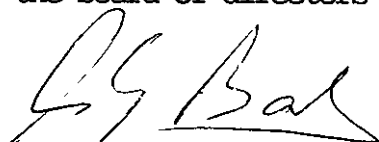
BALANCE SHEET
at 31 March 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Intangible		11,300	13,560
Tangible	1	31,674	27,758
Investments		<u>19,500</u>	<u>19,500</u>
		62,474	60,818
CURRENT ASSETS			
Stock		14,477	13,584
Debtors		2,265	2,901
Cash at bank and in hand		<u>1,698</u>	<u>59,119</u>
		18,440	75,604
CREDITORS			
Amounts falling due			
in one year		<u>70,157</u>	<u>133,689</u>
NET CURRENT ASSETS (LIABILITIES)		(51,717)	(58,085)
TOTAL ASSETS LESS			
CURRENT LIABILITIES		<u>10,757</u>	<u>2,733</u>
CREDITORS			
Amounts falling due after			
more than one year	2	7,569	423
		<u>£ 3,188</u>	<u>£ 2,310</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		<u>3,088</u>	<u>2,210</u>
Shareholders' funds		3,188	2,310
		<u>£ 3,188</u>	<u>£ 2,310</u>

The directors have taken advantage, in preparing these abbreviated accounts, of the exemptions conferred by Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is a small company.

Approved by the board of directors on 18 October 1995. and signed on its behalf.

Directors



C & B COAL COMPANY LIMITED

Financial statements for the year ended 31 March 1995

ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards, and incorporate the results of the principal activity which is described in the directors' report and which is continuing. The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cashflow statement on the grounds that it is a small company.

2. DEPRECIATION

Depreciation is calculated to write down each asset over its expected useful life to its estimated residual value as follows:-

Plant and machinery	15%
Fixtures and fittings	15%
Motor vehicles	25%

Purchased goodwill is amortised at 10% on a straight line basis.

3. STOCK

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving stocks.

4. INVESTMENTS

Investments are stated at cost.

5. TURNOVER

Turnover represents the value, net of Value Added Tax, of goods sold.

6. PENSION COMMITMENTS

The company operates a defined contributions pension scheme for its director and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

C & B COAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1995

1. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST	
At 31 March 1994	70,794
Additions	10,998
Disposals	(5,650)
At 31 March 1995	<u>76,142</u>
DEPRECIATION	
At 31 March 1994	43,036
For the year	3,695
Disposals	(2,263)
At 31 March 1995	<u>44,468</u>
NET BOOK VALUE	
At 31 March 1995	<u>31,674</u>
At 31 March 1994	<u>27,758</u>

	<u>1995</u>	<u>1994</u>
	£	£
2. CREDITORS		
Net obligations under finance leases and hire purchase contracts (secured)	<u>7,569</u>	<u>423</u>

3. SHARE CAPITAL

Authorised		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>