

BULK ENERGY (TRADING) LIMITED
(Registered Number 2438821)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1997



BULK ENERGY (TRADING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

The directors present their report and the audited accounts of the group for the year ended 31 December 1997.

REVIEW OF THE BUSINESS

The group's principal activities remain those of coal wholesaling, handling and stevedoring.

RESULTS AND DIVIDENDS

The group's profit for the financial year was £325,003 (1996 - £345,132). One director received a dividend of £250,000. The other director waived his right to dividend.

The profit for the year after dividends of £75,003 (1996 - loss - £188,200) has been transferred to reserves.

FUTURE PROSPECTS

The future prospects of the company are determined by the activities of its subsidiaries. The directors intend to secure the future of the group by their policies of responding to competition, motivating employees and reducing costs.

DIRECTORS AND THEIR INTERESTS

The following served as directors of the company throughout the year, and their interests in the ordinary share capital of the company at the end of the year are given below:

	'A' Ordinary £1 shares		'B' Ordinary £1 shares	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	Number	Number	Number	Number
Adrian J Williams	25,000	25,000	25,000	25,000
Andrew J Williams	25,000	25,000	25,000	25,000
	=====	=====	=====	=====

The company share capital is 100% owned by the Directors in the proportions noted above.

FIXED ASSETS

Details of movements in fixed assets are given in Notes 8 and 9 to the accounts.

BULK ENERGY (TRADING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997 (CONTINUED)

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 group and company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

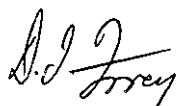
- (1) select suitable accounting policies and then apply them consistently;
- (2) make judgements and estimates that are reasonable and prudent;
- (3) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (4) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 group and 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



DAVID I FOREY
Company secretary

30 June 1998

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF BULK ENERGY (TRADING) LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

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 these 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 affairs of the group and company as at 31 December 1997 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

30 June 1998

BULK ENERGY (TRADING) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	1997	1996
	£	£
TURNOVER (Notes 1,2)	10,632,123	10,629,524
Change in stocks of finished goods	(118,805)	(37,792)
	<u>10,513,318</u>	<u>10,591,732</u>
Raw materials and consumables	(5,907,194)	(6,476,613)
Other external charges	(2,713,267)	(2,514,383)
Staff costs (Note 3)	(541,784)	(520,559)
Depreciation	(272,192)	(249,361)
Other operating charges	(681,407)	(348,476)
	<u>(10,115,844)</u>	<u>(10,109,392)</u>
OPERATING PROFIT	397,474	482,340
Profit on disposal of tangible fixed assets	17,093	9,356
Interest receivable & similar income	39,496	39,473
Interest payable & similar charges	(15)	(6,853)
	<u>454,048</u>	<u>524,316</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Notes 2,5)	454,048	524,316
Tax on profit on ordinary activities (Note 6)	(129,045)	(179,184)
	<u>325,003</u>	<u>345,132</u>
PROFIT FOR THE FINANCIAL YEAR	325,003	345,132
Dividends (Note 7)	(250,000)	(533,332)
	<u>75,003</u>	<u>(188,200)</u>
PROFIT/(LOSS) TRANSFERRED TO/(FROM) RESERVES (Note 17)	75,003	(188,200)

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The profit for the financial year includes all recognised gains and losses in the year.

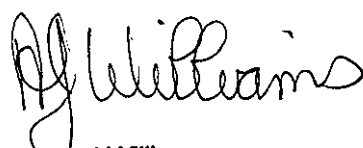
The notes on pages 8 to 17 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED

GROUP BALANCE SHEET - 31 DECEMBER 1997

	1997		1996	
	£	£	£	£
FIXED ASSETS				
Tangible assets (Note 8)		2,258,107		2,174,119
Investments (Note 9)		50,756		2,401
		2,308,863		2,176,520
CURRENT ASSETS				
Stocks (Note 10)	863,074		979,320	
Debtors (Note 11)	1,860,922		3,056,881	
Cash at bank and in hand	834,312		141,555	
	3,558,308		4,177,756	
CREDITORS - Amounts falling due within one year (Note 12)	(2,514,907)		(3,145,667)	
NET CURRENT ASSETS		1,043,401		1,032,089
TOTAL ASSETS LESS CURRENT LIABILITIES		3,352,264		3,208,609
CREDITORS - Amounts falling due after more than one year (Note 13)		-		-
PROVISION FOR LIABILITIES AND CHARGES (Note 15)		(67,000)		(98,348)
		3,285,264		3,110,261
CAPITAL AND RESERVES				
Called up share capital (Note 16)		100,000		100,000
Share premium account (Note 17)		7,907		7,907
Profit and loss account (Note 17)		1,826,347		1,751,344
Capital reserve (Note 17)		14,028		14,028
Revaluation reserve (Note 17)		1,336,982		1,236,982
SHAREHOLDERS FUNDS (Note 18)		3,285,264		3,110,261

APPROVED BY THE BOARD ON 30 JUNE 1998



Adrian J Williams
DIRECTOR

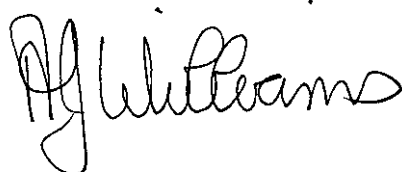
The notes on pages 8 to 17 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED

COMPANY BALANCE SHEET - 31 DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	£	£
FIXED ASSETS		
Investments (Note 9)	99,021	99,021
CURRENT ASSETS		
Debtors (Note 11)	251,613	556,273
Cash at bank and in hand	500,091	-
	<u>751,704</u>	<u>556,273</u>
CREDITORS - Amounts falling due within one year (Note 12)	<u>(651,877)</u>	<u>(456,446)</u>
NET CURRENT ASSETS	<u>99,827</u>	<u>99,827</u>
	<u>198,848</u>	<u>198,848</u>
CAPITAL AND RESERVES		
Called up share capital (Note 16)	100,000	100,000
Share premium account (Note 17)	7,907	7,907
Profit and loss account (Note 17)	90,941	90,941
	<u>198,848</u>	<u>198,848</u>

APPROVED BY THE BOARD ON 30 JUNE 1998



Adrian J Williams
DIRECTOR

The notes on pages 8 to 17 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>1997</u> £	<u>1996</u> £
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 19)	1,430,856	438,495
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	39,496	39,473
Interest paid	-	(6,289)
Interest element of hire purchase finance payments	(15)	(564)
NET CASH INFLOW RETURNS ON CAPITAL EXPENDITURE	39,481	32,620
TAXATION		
Corporation tax paid	(160,393)	(249,065)
TAX PAID	(160,393)	(249,065)
CAPITAL EXPENDITURE		
Purchase of investments	(48,355)	(297)
Purchase of fixed assets	(290,267)	(179,950)
Sale of fixed assets	51,180	30,900
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE	(287,442)	(149,347)
DIVIDENDS PAID	-	(533,332)
FINANCING		
Repayment of capital element of leasing finance	(1,856)	(6,921)
NET CASH (OUTFLOW) FROM FINANCING	(1,856)	(6,921)
INCREASE/(DECREASE) IN CASH (Note 20)	1,020,646	(467,550)

The notes on pages 8 to 17 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED
NOTES TO THE ACCOUNTS - 31 DECEMBER 1997

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

(2) Basis of consolidation

The consolidated accounts of the group represent the results of the four subsidiaries for the year ended 31 December 1997.

(3) Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

(4) Tangible fixed assets

Tangible fixed assets, other than freehold land and buildings, are stated at cost less accumulated depreciation.

Depreciation has been provided so as to write down the cost of assets to their residual values on a straight line basis at the following annual rates:

Site equipment, plant and machinery	15%
Motor vehicles	25%
Computer and office equipment	15% - 25%

Freehold land and buildings are included in the accounts at their revalued amount.

(5) Stocks

Stocks of finished goods are included at the lower of cost and net realisable value.

(6) Deferred taxation

Provision is made for deferred taxation using the liability method on timing differences arising between profits as shown by the accounts and profits as computed for taxation purposes. Provision is only made to the extent that a liability is expected to crystallise in the foreseeable future.

(7) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the balance sheet date. Profit and loss account items are translated at the rate ruling at the transaction date.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(8) Assets held under finance leases and hire purchase contracts

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. Rental payments are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable. The total finance charge is allocated to periods over the lease term so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

2 SEGMENTAL INFORMATION

Analyses of geographical location and class of business for turnover and an analysis of class of business for profit on ordinary activities before taxation have not been given as, in the opinion of the directors, the disclosure of this information would be seriously prejudicial to the interests of the company (Schedule 4, Part III, Section 55(5) Companies Act 1985 and Statement of Standard Accounting Practice Number 25).

3 STAFF COSTS

	<u>1997</u> £	<u>1996</u> £
Staff costs incurred during the year were as follows:		
Wages and salaries	491,824	467,352
Social security costs	47,052	48,885
Other pension costs	2,908	4,322
	<u>541,784</u>	<u>520,559</u>

The average number of persons (including directors) employed by the group during the year was:

	<u>1997</u> Number	<u>1996</u> Number
Production	15	15
Administration	12	10
	<u>27</u>	<u>25</u>

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

4 DIRECTORS' EMOLUMENTS

	<u>1997</u> £	<u>1996</u> £
Directors' emoluments	322,125	69,670
Pension contributions	2,000	-
	<u> </u>	<u> </u>
The emoluments, excluding pension contributions, of the highest paid director	293,539	43,295
Pension contributions	2,000	-
	<u> </u>	<u> </u>

All directors' emoluments were paid by subsidiary companies of Bulk Energy (Trading) Limited.

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1997</u> £	<u>1996</u> £
Hire of plant and machinery	49,886	35,772
Auditors' remuneration	9,267	10,506
Interest payable on bank and other borrowings repayable within five years	15	1,667
Loss on foreign exchange	566	5,506
Rental income	(3,170)	(6,540)
	<u> </u>	<u> </u>

Fees paid to auditors for non audit remuneration, including expenses, for 1997 were £7,380 (1996 - £16,885).

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation on the profit for the year	<u>1997</u> £	<u>1996</u> £
UK corporation tax based on profit for the year at 33% (1996 - 33%)	160,393	197,438
Deferred taxation (see note 15)	(31,348)	(18,254)
	<u>129,045</u>	<u>179,184</u>

7 DIVIDENDS

	<u>1997</u> £	<u>1996</u> £
Final dividend paid on equity shares at 250 pence per share (1996 Interim: 533.332 pence per share)	<u>250,000</u>	<u>533,332</u>

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

8 TANGIBLE ASSETS - GROUP ONLY

	Freehold land and buildings £	Site equipment, plant and machinery £	Motor vehicles £	Computer and office equipment £	Total £
COST/VALUATION					
At 1 January 1997	1,306,224	1,467,927	205,740	47,690	3,027,581
Revaluation	100,000	-	-	-	100,000
Additions	-	169,695	106,000	14,572	290,267
Disposals	-	(1,250)	(45,500)	-	(46,750)
At 31 December 1997	1,406,224	1,636,372	266,240	62,262	3,371,098
ACCUMULATED DEPRECIATION					
At 1 January 1997	2,371	754,259	63,520	33,312	853,462
Charge for the year	1,236	203,553	60,571	6,832	272,192
Released on disposals	-	(630)	(12,033)	-	(12,663)
At 31 December 1997	3,607	957,182	112,058	40,144	1,112,991
NET BOOK AMOUNT					
At 31 December 1997	1,402,617	679,190	154,182	22,118	2,258,107
At 1 January 1997	1,303,853	713,668	142,220	14,378	2,174,119

The land and buildings were revalued on the basis of their aggregate open market value at 31 December 1997 by DTZ Debenham Thorpe, Chartered Surveyors. The historical cost of the land and buildings at 31 December 1997 was £64,926 (1996 - £64,926).

9 FIXED ASSET INVESTMENTS

GROUP	1997 £	1996 £
Shares listed on the stock exchange at cost	3,915	3,421
Amounts provided for diminution in value	(3,159)	(1,020)
	756	2,401

The shares were listed on the London Stock Exchange at a total market value of £756 at 31 December 1997 (1996 - £1,573). The directors believe that this fall in market value represents a permanent diminution in the book value of the investment.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

9 FIXED ASSET INVESTMENTS (CONTINUED)

GROUP (CONTINUED)

JOINT VENTURE

	<u>1997</u> £	<u>1996</u> £
Investment in joint venture	50,000	-

<u>Name of company</u>	<u>Country of incorporation or registration</u>	<u>Class of shares held</u>	<u>Proportion held</u>	<u>Nature of business</u>
Tower Westland Coal Trading Limited	Wales	Ordinary	50%	Industrial coal suppliers. Trade commences on 1 April 1998.

COMPANY

	<u>1997</u> £	<u>1996</u> £
Investment in subsidiary companies at cost	99,021	99,021

Details of subsidiary companies during the year, all of which operate in the United Kingdom, are as follows:

<u>Name of company</u>	<u>Country of incorporation or registration</u>	<u>Class of shares held</u>	<u>Proportion held</u>	<u>Nature of business</u>
Westland Coal Supplies Limited	Wales	Ordinary	100%	Coal wholesaler and handler
AJ Williams Fuels (Overseas Sales) Limited	Wales	Ordinary	100%	Coal stevedore and handler
Briton Ferry (Shipping Services) Limited	Wales	Ordinary	100%	Terminal operators, stevedores and warehousemen
Westland Coal International Limited	Wales	Ordinary	100%	Coal Import/export

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

10 STOCKS - GROUP ONLY

	<u>1997</u> £	<u>1996</u> £
Finished goods	843,425	962,230
Spare parts	19,649	17,090
	<u> </u>	<u> </u>
	863,074	979,320
	<u> </u>	<u> </u>

11 DEBTORS

	<u>Group</u> <u>1997</u> £	<u>Company</u> <u>1997</u> £	<u>Group</u> <u>1996</u> £	<u>Company</u> <u>1996</u> £
Trade debtors	1,542,519	-	2,778,815	-
Amounts owed by group undertakings	-	251,526	-	556,273
Other debtors	183,228	-	18,562	-
Prepayments	72,675	87	126,171	-
ACT recoverable	62,500	-	133,333	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,860,922	251,613	3,056,881	556,273
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 CREDITORS - Amounts falling due within one year

	<u>Group</u> <u>1997</u> £	<u>Company</u> <u>1997</u> £	<u>Group</u> <u>1996</u> £	<u>Company</u> <u>1996</u> £
Bank overdraft	477,705	385,897	805,594	204,561
Trade creditors	723,612	-	1,376,245	-
Amounts owed to group undertakings	-	15,980	-	250,000
ACT payable	62,500	-	133,333	-
Other creditors including taxation and social security	595,894	-	363,737	-
Accruals	655,196	250,000	464,902	1,885
Finance lease obligations (Note 14)	-	-	1,856	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2,514,907	651,877	3,145,667	456,446
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

13 CREDITORS - Amounts falling due after more than one year - GROUP ONLY

	<u>1997</u> £	<u>1996</u> £
Finance lease obligations (note 14)	Nil	Nil
	<u> </u>	<u> </u>

14 FINANCE LEASE OBLIGATIONS - GROUP ONLY

	<u>1997</u> £	<u>1996</u> £
Amounts due:		
Within one year	-	1,871
Between one and five years	-	-
	<u> </u>	<u> </u>
	-	1,871
	-	(15)
Finance charges	<u> </u>	<u> </u>
	-	1,856
	<u> </u>	<u> </u>
Falling due within one year (Note 12)	-	1,856
Falling due after more than one year (Note 13)	-	-
	<u> </u>	<u> </u>
	-	1,856
	<u> </u>	<u> </u>

15 PROVISION FOR LIABILITIES AND CHARGES

GROUP	<u>1997</u>		<u>1996</u>	
	<u>Provided</u> £	<u>Unprovided</u> £	<u>Provided</u> £	<u>Unprovided</u> £
Accelerated capital Allowances	67,000	Nil	98,348	3,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

An amount of £31,348 was credited to the profit and loss account during the year (1996 - charge - £18,254).

COMPANY

There is no potential deferred taxation liability.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

16 CALLED UP SHARE CAPITAL - GROUP AND COMPANY

	<u>1997</u> £	<u>1996</u> £
Authorised:		
Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Allotted and fully paid:		
Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>

17 RESERVES

	Capital reserve Group <u>1997</u> £	Revaluation reserve Group <u>1997</u> £	Share premium account Company <u>1997</u> £	Profit and loss account Group <u>1997</u> £	Profit and loss account Company <u>1997</u> £
At 1 January 1997	14,028	1,236,982	7,907	1,751,344	90,941
Revaluation	-	100,000	-	-	-
Profit/(loss) for the financial year	-	-	-	75,003	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1997	14,028	1,336,982	7,907	1,826,347	90,941
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As permitted by Section 228(7) of the Companies Act 1985, no separate profit and loss account has been prepared for the parent company, Bulk Energy (Trading) Limited.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group <u>1997</u> £	Company <u>1997</u> £	Group <u>1996</u> £	Company <u>1996</u> £
Profit/(loss) for the financial year	75,003	-	(188,200)	-
Revaluations in year	100,000	-	-	-
Capital reserve created on acquisition	-	-	-	-
Opening shareholders' funds	3,110,261	198,848	3,298,461	198,848
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Closing shareholders' funds	3,285,264	198,848	3,110,261	198,848
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Shareholders funds are all equity in nature.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1997 (CONTINUED)

19 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	<u>1997</u> £	<u>1996</u> £
Operating profit	397,474	482,340
Depreciation	272,192	249,361
Movement in stocks	116,246	41,811
Movement in debtors	1,125,126	(932,072)
Movement in creditors	(480,182)	597,055
Net cash inflow from operating activities	<u>1,430,856</u>	<u>438,495</u>

20 ANALYSIS OF NET DEBT

	<u>1997</u> £	<u>1996</u> £	Change in year £
Cash at bank and in hand	834,312	141,555	692,757
Bank overdraft	(477,705)	(805,594)	327,889
	<u>356,607</u>	<u>(664,039)</u>	<u>1,020,646</u>

21 CONTINGENT LIABILITIES

This company has given an unlimited guarantee to its bankers dated 27 September 1996 in favour of group companies, Westland Coal Supplies Limited and AJ Williams Fuels (Overseas Sales) Limited and Westland Coal International Limited. Extends to Briton Ferry Shipping Services from 2 March 1998.

In addition, the bank has a right of set off incorporated in a mortgage debenture dated 4 May 1990 and updated 24 January 1997 over all assets of this company as security for these companies' overdraft facilities.

22 RELATED PARTY TRANSACTIONS

In April 1997 the company made a non-interest bearing loan to A Williams, Director of £200,000. This was repaid in full in June 1997. No amounts were outstanding at 31 December 1997.