

BULK ENERGY (TRADING) LIMITED
(Registered Number 2438821)

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2000



BULK ENERGY (TRADING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and the audited accounts of the group for the year ended 31 December 2000.

REVIEW OF THE BUSINESS

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

RESULTS AND DIVIDENDS

The group's profit for the financial year was £393,057 (1999 - £301,732). The directors do not recommend the payment of a dividend. (1999 - £Nil).

The profit for the year after dividends of £393,057 (1999 - £301,732) has been transferred to reserves.

POST BALANCE SHEET EVENTS

In February 2001 the company disposed of its holding in Tower Westland (Coal Trading) Limited, a joint venture.

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>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</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.

CHARITABLE DONATIONS

Group companies have made total charitable donations of £6,019 for the year ended 31 December 2000.

BULK ENERGY (TRADING) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000 (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

PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution to confirm their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



DAVID I FOREY
Company secretary

5 September 2001

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

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 and group'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 and group's affairs as at 31 December 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

Chartered Accountants
and Registered Auditors
Cardiff

5 September 2001

BULK ENERGY (TRADING) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	2000		1999	
	£	£	£	£
TURNOVER – INCLUDING SHARE OF JOINT VENTURE		11,757,370		10,035,009
Less share of turnover of joint venture		(5,973,310)		(3,877,145)
GROUP TURNOVER (Notes 1,2)		5,784,060		6,157,864
Change in stocks of finished goods		(129,375)		(842,542)
		5,654,685		5,315,322
Raw materials and consumables	(2,304,478)		(2,322,159)	
Other external charges	(1,964,062)		(1,383,362)	
Staff costs (Note 3)	(672,746)		(801,525)	
Depreciation	(235,757)		(266,686)	
Other operating charges	(343,710)		(391,298)	
Loss on foreign exchange transactions	(17,212)		-	
		(5,537,965)		(5,165,030)
GROUP OPERATING PROFIT		116,720		150,292
Share of operating profit in joint venture		300,710		206,850
GROUP OPERATING PROFIT INCLUDING JOINT VENTURES		417,430		357,142
Profit on disposal of tangible fixed assets		24,722		8,367
Interest receivable & similar income		70,735		26,036
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Notes 2,5)		512,887		391,545
Tax on profit on ordinary activities (Note 6)		(119,830)		(89,813)
PROFIT FOR THE FINANCIAL YEAR (Note 15)		393,057		301,732
Dividends (Note 7)		-		-
PROFIT TRANSFERRED TO RESERVES (Note 15)		393,057		301,732

The profit for the financial year includes all recognised gains and losses in the year and relates to continuing operations.

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

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

BULK ENERGY (TRADING) LIMITED

GROUP BALANCE SHEET - 31 DECEMBER 2000

	2000		1999	
	£	£	£	£
FIXED ASSETS				
Tangible assets (Note 8)		1,964,933		2,065,487
Listed investments (Note 9)		931		1,278
Investments in joint ventures:				
Share of gross assets	1,116,011		587,400	
Share of gross liabilities	(794,537)		(301,500)	
		321,474		285,900
		2,287,338		2,352,665
CURRENT ASSETS				
Stocks (Note 10)	133,432		262,807	
Debtors (Note 11)	897,112		740,755	
Cash at bank and in hand	1,689,498		2,046,480	
	2,720,042		3,050,042	
CREDITORS - Amounts falling due within one year (Note 12)	(980,726)		(1,753,070)	
NET CURRENT ASSETS		1,739,316		1,296,972
TOTAL ASSETS LESS CURRENT LIABILITIES		4,026,654		3,649,637
PROVISION FOR LIABILITIES AND CHARGES (Note 13)		(22,988)		(39,028)
		4,003,666		3,610,609
CAPITAL AND RESERVES				
Called up share capital (Note 14)		100,000		100,000
Share premium account (Note 15)		7,907		7,907
Profit and loss account (Note 15)		2,544,749		2,151,692
Capital reserve (Note 15)		14,028		14,028
Revaluation reserve (Note 15)		1,336,982		1,336,982
SHAREHOLDERS FUNDS (Note 16)		4,003,666		3,610,609

APPROVED BY THE BOARD ON 5 September 2001


 Andrew 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 2000

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
FIXED ASSETS				
Investments (Note 9)		98,921		99,021
CURRENT ASSETS				
Debtors (Note 11)	15,371		8,739	
Cash at bank and in hand	1,673,668		1,105,000	
	<u>1,689,039</u>		<u>1,113,739</u>	
CREDITORS - Amounts falling due within one year (Note 12)	(1,580,473)		(1,005,173)	
NET CURRENT ASSETS		<u>108,566</u>		<u>108,566</u>
		<u>207,487</u>		<u>207,587</u>
CAPITAL AND RESERVES				
Called up share capital (Note 14)		100,000		100,000
Share premium account (Note 15)		7,907		7,907
Profit and loss account (Note 15)		99,580		99,680
SHAREHOLDERS FUNDS (Note 16)		<u>207,487</u>		<u>207,587</u>

APPROVED BY THE BOARD ON 5 September 2001



Andrew J Williams
DIRECTOR

The notes on pages 8 to 18 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	<u>2000</u> £	<u>1999</u> £
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 17)	277,552	970,500
DIVIDENDS RECEIVED FROM JOINT VENTURE	200,000	-
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	50,171	26,036
Interest paid	-	-
NET CASH INFLOW FROM RETURNS ON INVESTMENTS	50,171	26,036
TAXATION		
Corporation tax paid	(31,970)	(4,943)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Disposal / (Purchase) of investments	347	(997)
Purchase of fixed assets	(150,501)	(171,821)
Sale of fixed assets	40,020	68,851
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(110,134)	(103,967)
DIVIDENDS PAID	-	-
FINANCING	-	-
INCREASE IN CASH (Note 18)	385,619	887,626

The notes on pages 8 to 18 form an integral part of these accounts.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

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 three subsidiaries and Joint Venture for the year ended 31 December 2000.

(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%
B	15%

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.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

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.

3 STAFF COSTS

	<u>2000</u>	<u>1999</u>
	£	£
Staff costs incurred during the year were as follows:		
Wages and salaries	612,345	728,611
Social security costs	57,328	69,902
Other pension costs	3,073	3,012
	<u>672,746</u>	<u>801,525</u>

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

	<u>2000</u>	<u>1999</u>
	Number	Number
Production	11	12
Administration	11	11
	<u>22</u>	<u>23</u>

4 DIRECTORS' EMOLUMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Aggregate emoluments	212,222	396,701
Company pension contributions to defined contribution schemes	-	1,300
	<u>212,222</u>	<u>398,001</u>
Highest paid director		
Aggregate emoluments	196,842	276,086
Company pension contributions to defined contribution scheme	-	-
	<u>196,842</u>	<u>276,086</u>

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

Retirement benefits are accruing to one (1999 : one) director under defined contribution schemes.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>2000</u>	<u>1999</u>
	£	£
Hire of plant and machinery	11,808	12,358
Auditors' remuneration	10,000	10,080
	<u> </u>	<u> </u>

Fees paid to auditors for non audit services, including expenses, for 2000 were £16,000 (1999 - £16,000).

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u>	<u>1999</u>
	£	£
Taxation on the profit for the year		
UK corporation tax based on profit for the year at 20% (1999 - 20%)	52,000	66,620
Less: Over provision in prior years	(1,830)	(11,285)
Deferred taxation (see note 13)	(16,040)	(13,972)
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	34,130	41,363
Share of taxation on profit on joint venture	85,700	48,450
	<u> </u>	<u> </u>
	119,830	89,813
	<u> </u>	<u> </u>

7 DIVIDENDS

	<u>2000</u>	<u>1999</u>
	£	£
Final dividend paid on equity shares at Nil pence per share (1999 - nil)	-	-
	<u> </u>	<u> </u>

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (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 2000	1,406,224	1,596,376	301,516	66,582	3,370,698
Additions	3,350	82,841	58,845	5,465	150,501
Disposals	-	(35,820)	(61,800)	(15,713)	(113,333)
At 31 December 2000	1,409,574	1,643,397	298,561	56,334	3,407,866
ACCUMULATED DEPRECIATION					
At 1 January 2000	5,749	1,105,238	141,676	52,548	1,305,211
Charge for the year	935	169,955	58,712	6,155	235,757
Released on disposals	-	(32,494)	(49,828)	(15,713)	(98,035)
At 31 December 2000	6,684	1,242,699	150,560	42,990	1,442,933
NET BOOK AMOUNT					
At 31 December 2000	1,402,890	400,698	148,001	13,344	1,964,933
At 1 January 2000	1,400,475	491,138	159,840	14,034	2,065,487

The land and building were revalued on the basis of their aggregate open market value at 31 December 1997 by DTZ Debenham Thorpe, Chartered Surveyors. The transitional rules of FRS 15 have been applied and the valuation has not been updated.

The historical cost of land and buildings at 31 December 2000 was £68,276 (1999 - £64,926).

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

9 FIXED ASSET INVESTMENTS

GROUP

	<u>2000</u>	<u>1999</u>
	£	£
Shares listed on the stock exchange at cost	4,912	4,912
Amounts provided for diminution in value	(3,981)	(3,634)
	931	1,278

The shares were listed on the London Stock Exchange at a total market value of £931 at 31 December 2000 (1999 - £980). The directors believe that this fall in market value represents a permanent diminution in the book value of the investment.

	£
Interest in joint venture	
At 1 January 2000 – net assets	285,900
Additions – net assets	35,574
At 31 December 2000 – net assets	321,474

<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.

The groups share of the results, asset and liabilities of the joint venture are as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Turnover	5,973,310	3,877,145
Profit before tax	321,530	206,759
Taxation	85,700	48,450
Profit after tax	235,650	158,308
Fixed assets	-	-
Current assets	1,116,011	587,400
Liabilities due within one year	794,537	301,500
Liabilities due after more than one year	-	-

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

9 FIXED ASSET INVESTMENTS (CONTINUED)

COMPANY

	<u>2000</u> £	<u>1999</u> £
Investment in subsidiary companies at cost	98,921	99,021
	<u> </u>	<u> </u>

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%	Dormant
Briton Ferry (Shipping Services) Limited	Wales	Ordinary	100%	Terminal operators, stevedores and warehousemen
Westland Coal International Limited	Wales	Ordinary	100%	Coal Import/export

During the year A J Williams Fuels (Overseas Sales) Limited was dissolved and its cost of investment is £100 has been written off.

10 STOCKS - GROUP ONLY

	<u>2000</u> £	<u>1999</u> £
Finished goods	133,432	262,807
	<u> </u>	<u> </u>

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

11 DEBTORS

	Group <u>2000</u> £	Company <u>2000</u> £	Group <u>1999</u> £	Company <u>1999</u> £
Trade debtors	771,272	-	515,906	-
Amounts owed by group undertakings	-	7,487	-	8,739
Amounts owed by joint venture	27,542	-	40,184	-
Other debtors	41,416	1,252	99,338	-
Prepayments	44,382	6,632	58,386	-
Corporation tax recoverable	12,500	-	26,941	-
	897,112	15,371	740,755	8,739

At 1 January 2000 a loan of £50,200 subsisted to A J Williams a director. The maximum balance outstanding during the year was £50,200 and the balance at 31 December 2000 was £Nil..

12 CREDITORS - Amounts falling due within one year

	Group <u>2000</u> £	Company <u>2000</u> £	Group <u>1999</u> £	Company <u>1999</u> £
Bank overdraft	244,703	-	987,304	987,304
Trade creditors	396,465	-	210,586	-
Amounts owed to group undertakings	-	1,580,473	-	17,889
Other creditors including taxation and social security	116,988	-	142,809	-
Corporation tax	52,000	-	45,616	-
Accruals	170,570	-	366,755	-
	980,726	1,580,473	1,753,070	1,005,173

The bank overdraft is secured by a fixed and floating charge over the assets of the company and by cross guarantees of group companies.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

13 PROVISION FOR LIABILITIES AND CHARGES

GROUP	2000		1999	
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	£	£	£	£
Accelerated capital Allowances	22,988	(6,383)	39,028	174
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

An amount of £16,040 was credited to the profit and loss account during the year (1999 – 13,972).

COMPANY

There is no potential deferred taxation liability.

14 CALLED UP SHARE CAPITAL - GROUP AND COMPANY

	<u>2000</u>	<u>1999</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>

15 RESERVES

	Capital Reserve Group <u>2000</u> £	Revaluation Reserve Group <u>2000</u> £	Share Premium account Group <u>2000</u> £	Profit and loss account Group <u>2000</u> £	Share premium account Company <u>2000</u> £	Profit and loss account Company <u>2000</u> £
At 1 January 2000	14,028	1,336,982	7,907	2,151,692	7,907	99,680
Profit for the financial year	-	-	-	393,057	-	(100)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 December 2000	14,028	1,336,982	7,907	2,544,749	7,907	99,580
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Of the profit for the financial year a loss of £100 (1999 : £8,739) is dealt with in the accounts of Bulk Energy (Trading) Limited. The directors have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not present in a profit and loss account.

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group <u>2000</u> £	Company <u>2000</u> £	Group <u>1999</u> £	Company <u>1999</u> £
Profit / (Loss) for the financial year	393,057	(100)	301,732	8,739
Opening shareholders' funds	3,610,609	207,587	3,308,877	198,848
Closing shareholders' funds	4,003,666	207,487	3,610,609	207,587

Shareholders funds are all equity in nature.

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

	<u>2000</u> £	<u>1999</u> £
Operating profit	116,720	150,292
Depreciation	235,757	266,686
Movement in stocks	129,375	842,542
Movement in debtors	(156,357)	533,611
Movement in creditors	(47,943)	(822,631)
Net cash inflow from operating activities	277,552	970,500

18 ANALYSIS OF NET CASH

	<u>2000</u> £	<u>1999</u> £	Change <u>in year</u> £
Cash at bank and in hand	1,689,498	2,046,480	(356,982)
Bank overdraft	(244,703)	(987,304)	742,601
	1,444,795	1,059,176	385,619

BULK ENERGY (TRADING) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (CONTINUED)

19 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, Westland Coal International Limited and Briton Ferry (Shipping Services) Limited 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.

The company has also given a guarantee to the bankers of Tower Westland (Coal Trading) Limited over its overdraft facility up to a limit of £1 million.

20 RELATED PARTY TRANSACTION

During the year the group has made sales of £413,712 (1999: £442,622) to Tower Westland (Coal Trading) Limited a joint venture company.

Advantage has been taken of the exemption conferred by paragraph 3(c) of Financial Reporting Standard Number 8, from disclosing transactions undertaken between this company and other members of the group, as the company prepares group accounts which are publicly available.