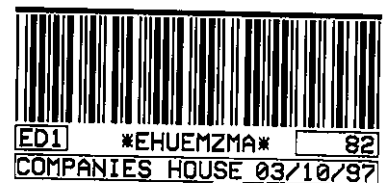


CPL TRUSTEES LIMITED
REPORT AND ACCOUNTS

29 MARCH 1997

Registered Number: 3049021



CPL Trustees Limited

Annual report for the year ended 29 March 1997

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CPL Trustees Limited

Directors and advisers

Directors

D E Foster (Chairman)

B A Williams

T M Daley

Secretary and Registered Office

B J Bean

Mill Lane

Wingerworth

Chesterfield

Derbyshire

S42 6NG

Registered Auditors

Coopers & Lybrand

1 East Parade

Sheffield

S1 2ET

Solicitors

Dibb Lupton Alsop

Fountain Precinct

Balm Green

Sheffield

S1 1RZ

CPL Trustees Limited

Directors' report for the year ended 29 March 1997

The directors present their report and the audited financial statements for the year ended 29 March 1997.

Principal activities and business review

The company was incorporated for the sole purpose of acting as a Corporate Trustee. As at 29 March 1997 it acted as Corporate Trustee to:

1. Coal Products Holdings Approved Profit Sharing Scheme under which the Trustee has acquired 46,700 "B" ordinary 1p shares in Coal Products Holdings Limited at £nil and, in addition, 700 "B" ordinary 1p shares in Coal Products Holdings Limited were repurchased from Scheme leavers and are held in the Employee Share Ownership Trust, for the benefit of present and future employees of that company.
2. Coal Products Group Employee Share Scheme under which the Trustee has acquired 29,300 "B" ordinary 1p shares in Coal Products Holdings Limited at £1 and in addition, 1,100 "B" ordinary 1p shares in Coal Products Holdings Limited were repurchased from Scheme leavers and are held in the Employee Share Ownership Trust, for the benefit of present and future employees of that Company.

The company has not traded during the period and has no assets other than those shown in the balance sheet on page 7.

Dividends

The directors do not recommend the payment of a dividend (1996: £Nil).

Directors

The directors of the company at 29 March 1997 are listed below:

D E Foster (Chairman)
B A Williams
T M Daley

There is no requirement for directors to retire by rotation.

CPL Trustees Limited

Directors' interests in the shares of the company

According to the register kept in accordance with the Companies Act 1985, the directors had no interests at any time during the year in the shares of the company.

All the directors at 29 March 1997 are also directors (excluding T M Daley) of the ultimate holding company and their interest in the shares of group companies are disclosed in the directors report of the company.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'B J Bean', written over a horizontal line.

B J Bean
Company Secretary

10 July 1997

CPL Trustees Limited

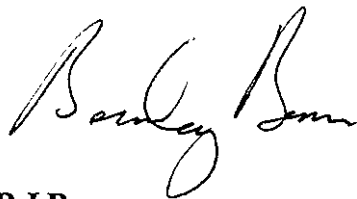
Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 29 March 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'B J Bean', written in a cursive style.

B J Bean
Company Secretary
10 July 1997

CPL Trustees Limited

Report of the auditors to the members of CPL Trustees Limited

We have audited the financial statements on pages 7 to 9.

Respective responsibilities of directors and auditors

As described on page 5 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.

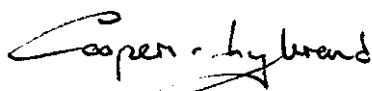
Basis of opinion

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 29 March 1997 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
Sheffield
10 July 1997

CPL Trustees Limited

Balance sheet at 29 March 1997

	Notes	1997 £	1996 £
Current assets			
Debtors	3	<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	4	<u>2</u>	<u>2</u>

The financial statements on pages 7 to 9 were approved by the board of directors on 10 July 1997 and were signed on its behalf by:



D E Foster
Chairman

CPL Trustees Limited

Notes to the financial statements for the year ended 29 March 1997

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Fundamental accounting concept

The accounts have been prepared under the going concern concept.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cash flow statement

The company is a wholly owned subsidiary of Coal Products Holdings Limited and the cash flows of the company are included in the consolidated group cash flow statement of Coal Products Holdings Limited. Consequently the company is exempt under the terms of FRS1 "Cash Flow Statements" from publishing a cash flow statement.

Related party transactions

In accordance with the exemption allowed by FRS8 "Related Party Transactions" transactions with Coal Products Holdings Limited and fellow subsidiary undertakings are not disclosed.

2 Directors' emoluments

None of the directors received any emoluments from the company for their services.

The average number of persons employed by the company in a part time capacity during the period was:

	1997 Number	1997 Number
Directors	<u>3</u>	<u>3</u>

CPL Trustees Limited

3 Debtors

	1997 £	1996 £
Amounts not falling due within one year		
Amounts owed by parent undertakings	<u>2</u>	<u>2</u>

4 Called up share capital

	1997 £	1996 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

5 Ultimate parent company

The directors regard Coal Products Holdings Limited as the ultimate parent company. The holding company is preparing accounts for the year ended 29 March 1997. According to the register kept by the company Coal Products Holdings Limited has a 100% interest in the equity capital of CPL Trustees Limited at 29 March 1997. Copies of the parents consolidated financial statements may be obtained from the The Secretary, Coal Products Holdings Limited, Mill Lane, Wingerworth, Chesterfield, Derbyshire S42 6NG.

6 Ultimate controlling party

The directors do not regard any one party to be the ultimate controlling party of Coal Products Holdings Limited.