

ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED
BY GUARANTEE

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

TOGETHER WITH THE DIRECTORS' AND AUDITORS' REPORTS

The Company's registered number is 1588199



ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED
BY GUARANTEE

REPORT OF THE DIRECTORS

The directors present their Annual Report on the affairs of the Company together with the accounts and auditors' report for the year ended 31 December 1997.

Principal Activities and Business Review

Since 19 April 1991 the Company has acted as sole trustee to the English China Clays (1991) Pension and Life Assurance Scheme and the English China Clays Pension and Life Assurance Scheme. On 5 April 1994 the latter was merged into the former, and became known as the English China Clays Pension and Life Assurance Scheme. In addition, the Company is co-trustee of the ECC Combined Investment Fund with English China Clays Executive Pension Fund Trustees Limited.

Directors' Responsibilities

The Board is required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the result for the period. The Board is also required to maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is also responsible to the Company for taking reasonable steps to safeguard its assets and to prevent and detect fraud and other irregularities.

The Board has prepared these accounts on the going concern basis and confirms that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in their preparation and that applicable accounting standards have been followed.

Directors and their Interests

The directors who served during the year and subsequently are as shown below:

S J Titcomb (Chairman)
P Drayton
P M Elliott
M L Chapman (Resigned 30 April 1997)
R K Gay
J W Rowntree (Resigned 31 March 1997)
G S Sweet (Resigned 30 April 1997, Re-appointed 27 November 1997)
J A D Woodcock (Resigned 18 August 1997)
A Smith (Resigned 22 November 1997)
A Bradburn (Resigned 22 November 1997)
C W Scobie (Resigned 30 April 1997, Re-appointed 27 November 1997)
R E Trenerry
L A Simmons
D Cooper (Appointed 18 August 1997)
R Martyn (Appointed 27 November 1997)
R D McDonald (Appointed 29 May 1997)
G Ryan (Appointed 29 May 1997)
A W Sleeman (Appointed 29 May 1997)

The Company is covered by the directors' and officers' liability insurance policy maintained by English China Clays plc..

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BY GUARANTEE

REPORT OF THE DIRECTORS
(continued)

Auditors

In accordance with Section 386 of the Companies Act 1985 an elective resolution has been filed in order to dispense with the requirement to appoint auditors annually.

By order of the Board



J L Tellam
Secretary
1015 Arlington Business Park
Theale, Reading, RG7 4SA
13 March 1998

Report of the auditors KPMG Audit Plc to the members of
ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED BY
GUARANTEE

We have audited the accounts on pages 5 to 7.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
13 March 1998

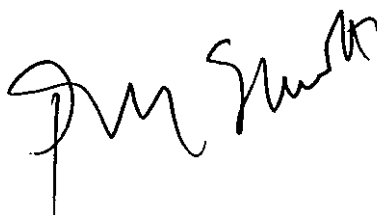
8 Salisbury Square
London
EC4Y 8BB

ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED
BY GUARANTEE
BALANCE SHEET
AS AT 31 DECEMBER 1997

	Note	1997 £'000	1996 £'000
CURRENT ASSETS		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-
CAPITAL AND RESERVES			
Called up share capital	1	-	-

Signed on behalf of the Board

P M Elliott - Director
13 March 1998



The notes on pages 6 to 7 inclusive form part of these accounts.

ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED
BY GUARANTEE
ACCOUNTING POLICIES

1 General

The Company's accounts have been prepared in accordance with applicable accounting standards. They are applied uniformly throughout the Company and are consistent with previous years.

2 Basis of Accounts

The Company maintains its financial records on the historical cost basis.

ENGLISH CHINA CLAYS PENSION FUND TRUSTEES LIMITED
BY GUARANTEE
NOTES TO THE ACCOUNTS

1. SHARE CAPITAL

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up each member is liable to contribute a sum not exceeding £1. There were 2 members at 31 December 1997 (1996 : 2).

2. PROFIT AND LOSS ACCOUNT

During the year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during these years the Company made neither a profit nor a loss.