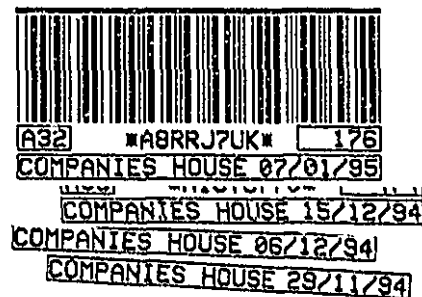


2902409

CAMAS plc

INITIAL ACCOUNTS FOR THE PERIOD  
21 FEBRUARY 1994 TO 2 SEPTEMBER 1994

The Company's registered number is 29024



**AUDITORS REPORT TO THE DIRECTORS OF CAMAS PLC PURSUANT TO SECTION 273(4)  
OF THE COMPANIES ACT 1985**

We have audited the initial accounts set out on pages 3 to 8.

**Respective responsibilities of directors and auditors**

You are responsible for the preparation of initial accounts where a distribution is proposed to be declared by a public company before accounts are laid in respect of the company's first accounting period. 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 initial accounts for the period from 21 February 1994 (the date of incorporation) to 2 September 1994 have been properly prepared within the meaning of section 273(2) of the Companies Act 1985.

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

London  
13 September 1994

CAMAS plc  
PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 2 SEPTEMBER 1994

		Period from 21 February 1994 to 2 September 1994
	Note	£'000
Net operating charges	1	(616)
Income receivable from shares in subsidiary undertaking		16,000
		<hr/> 15,384
Exceptional item		
Cost of fundamental restructuring	2	(1,372)
		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		14,012
Tax on profit on ordinary activities	3	-
		<hr/>
Retained profit for the period		14,012
		<hr/>

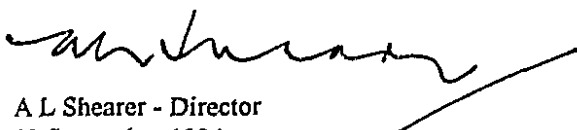
The Company has no other recognised gains or losses apart from the profit for the period.

The notes on pages 6 to 8 inclusive form part of these accounts.

CAMAS plc  
BALANCE SHEET  
AS AT 2 SEPTEMBER 1994

	2 September 1994	
	Note	£'000
<b>FIXED ASSETS</b>		
Investment in subsidiary undertaking	4	15,253
		<hr/>
<b>CURRENT ASSETS</b>		
Debtors: Amount due from subsidiary undertaking		16,660
		<hr/>
<b>CURRENT LIABILITIES</b>		
Creditors: amounts falling due within one year:		
Bank overdraft		678
Amount due to subsidiary undertaking		1,968
		<hr/>
		2,646
		<hr/>
<b>NET CURRENT ASSETS</b>		14,014
		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		29,267
		<hr/>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	5	15,255
Profit and loss account		14,012
		<hr/>
		29,267
		<hr/>

Signed on behalf of the Board

  
A L Shearer - Director  
13 September 1994

The notes on pages 6 to 8 inclusive form part of these accounts.

CAMAS plc  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 2 SEPTEMBER 1994

	Period from 21 February 1994 to 2 September 1994	
	Note	£'000
<b>CASH OUTFLOW FROM OPERATING ACTIVITIES</b>		
Operating charges		(616)
Cost of fundamental restructuring		(1,372)
Increase in debtors		(660)
Increase in creditors		1,968
		<hr/>
Net cash outflow from operating activities		(680)
		<hr/>
<b>RETURNS ON INVESTMENTS</b>		
Dividends received		-
		<hr/>
<b>INVESTING ACTIVITIES</b>		
Payments to acquire investments		-
		<hr/>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(680)
		<hr/>
<b>FINANCING</b>		
Issue of ordinary share capital	5	(2)
		<hr/>
<b>NET CASH INFLOW FROM FINANCING</b>		(2)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		(678)
		<hr/>
		(680)
		<hr/>

The notes on pages 6 to 8 inclusive form part of these accounts.

CAMAS plc  
ACCOUNTING POLICIES

1 General

The Company's accounts have been prepared in accordance with applicable accounting standards.

2 Basis of Accounts

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

3 Investment

The investment in subsidiary undertaking is in CAMAS Holdings Limited (formerly Marchmont Holdings Limited). The investment is stated at the nominal value of the ordinary shares issued on 1 June 1994 to the shareholders of English China Clays plc as consideration for the transfer of CAMAS Holdings Limited and its subsidiaries to the Company in accordance with the Agreement dated 12 May 1994 providing for the demerger of the construction materials interests of English China Clays plc. As permitted by Sections 131 and 133 of the Companies Act 1985, no premium has been recorded on the ordinary shares issued in connection with this acquisition.

4 Income from shares in subsidiary undertaking

Income from shares in subsidiary undertaking is included in the period in which it is receivable.

5. Pensions

Contributions to the CAMAS pension and life assurance schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company.

CAMAS plc  
NOTES TO THE ACCOUNTS

1. Staff costs

	Period to 2 September 1994 £'000
Wages and salaries	406
Social security costs	33
Other pension costs	74
	<hr/> 513 <hr/>

The average weekly number of employees during the period, all of whom were in management and administration, was 51.

2. Costs of fundamental restructuring

These costs relate to the fundamental restructuring costs of CAMAS' business carried out in connection with the demerger.

3. Taxation

The Company has no charge to taxation during the period as it has incurred a taxable loss and the income receivable from shares in subsidiary undertaking is not subject to tax.

4. Investment in subsidiary undertaking

	2 September 1994 £'000
Arising during the period and at 2 September 1994	<hr/> 15,253 <hr/>

The investment in subsidiary undertaking represents an investment in the whole of the issued share capital of CAMAS Holdings Limited. The investment is stated at the nominal value of the ordinary shares of 5p each issued as fully paid on 1 June 1994 to the shareholders of English China Clays plc as consideration for the transfer of CAMAS Holdings Limited and its subsidiaries to the Company.

CAMAS plc  
NOTES TO THE ACCOUNTS

5. Share capital

2 September 1994  
£'000

Authorised:

460,000,000 ordinary shares of 5p each	23,000
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Allotted, called up and fully paid:

Allotted during the period 305,101,314 ordinary shares of 5p each	15,255
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On 1 June 1994 the Company issued 305,052,053 ordinary shares of 5p each as fully paid to the shareholders of English China Clays plc as consideration for the transfer to the Company of the whole of the issued share capital of CAMAS Holdings Limited and its subsidiaries.

On 26 July, 2 August and 1 September 1994 the Company issued, respectively, 18,552, 15,539 and 15,170 ordinary shares of 5p each at par for cash in accordance with the Share Subscription Agreement dated 12 May 1994 entered into as part of the demerger arrangements in order to compensate option holders under the English China Clays Executive and Savings Related Share Option Schemes for the reduction in value of English China Clays' shares under option as a consequence of the demerger.

Directors and executives of CAMAS hold options under the Executive Share Option Scheme established by the Company. Options over 4,033,265 ordinary shares of 5 pence each are exercisable between 8 June 1997 and 8 June 2004, subject to the achievement of the required performance target, at 79.2 pence per share.

Directors and employees of CAMAS hold options under the Sharesave Scheme over 3,131,787 5 pence ordinary shares which are exercisable on various dates up to February 2002 at a price of 63.4 pence per share.

Non-resident employees of CAMAS hold options under the Overseas Sharesave Scheme over 858,861 5 pence ordinary shares which are exercisable up to February 2000 at 63.4 pence per share.

As part of the demerger arrangements, under the Share Subscription Agreement dated 12 May 1994 between ECC Employee Trust Limited and the Company, up to a further 8 million 5 pence ordinary shares may be issued in order to compensate option holders under the English China Clays Executive and Savings Related Share Option Schemes for the reduction in the value of English China Clays' shares under option as a consequence of the demerger. At 2 September 1994, 49,261 5 pence ordinary shares had been issued under this arrangement.

6. Contingent Liabilities

CAMAS plc has guaranteed bank and other facilities for certain subsidiary undertakings. The total amount of these facilities in use at 2 September 1994 was £74,443,000.

CAMAS plc has provided guarantees in respect of commitments entered into by certain subsidiary undertakings in the ordinary course of business. At 2 September 1994 these guarantees amounted to £25,695,000.