

LONGCLIFFE QUARRIES LIMITED

Report and Financial Statements

31 March 2000

Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D A G Shields (Chairman)
R J G Shields
R J Shields
M F Hyde
L J A Edwards

SECRETARY

M F Hyde

SOLICITORS

Herbert Smith
Exchange House
Primrose Street
London
EC2A 2HS

REGISTERED OFFICE

Longcliffe
Brassington
Matlock
Derbyshire
DE4 4BZ

BANKERS

HSBC Plc
Matlock
Derbyshire

AUDITORS

Deloitte & Touche
Chartered Accountants
1 Woodborough Road
Nottingham
NG1 3FG

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company carries on the business of mineral supply. During the year under review, the company has continued trading at a satisfactory level of profitability. The directors expect the current level of trading to continue over the next year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £442,410 (1999: £370,581).

The directors have proposed a final dividend of £1 per share (1999: final dividend of £1 per share). Retained profits of £296,936 (1999: £225,107) have been taken to reserves.

RESEARCH AND DEVELOPMENT

Research and development expenditure during the year has been concentrated on the development of new processes for limestone products.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	31 March 2000	1 April 1999
D A G Shields	-	-
R J Shields	-	-
R J G Shields	-	-
M F Hyde	-	-
L J A Edwards	-	-

The directors' interests in the shares of the parent company, Longcliffe Property Holdings Limited, are shown in that company's accounts.

CHARITABLE AND POLITICAL DONATIONS

The company has made charitable donations of £18,139 (1999: £12,996). Political donations amounted to £787 for the year (1999: £235) and were made to the WDCA.

DIRECTORS' REPORT

DIRECTORS' STATEMENT OF 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 company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors of the company and a resolution for the reappointment of Deloitte & Touche will be proposed at the forthcoming Annual General meeting.

Approved by the Board of Directors
and signed on behalf of the Board

M. F. Hyde

M F HYDE
Secretary



**Deloitte
& Touche**

AUDITORS' REPORT TO THE MEMBERS OF LONGCLIFFE QUARRIES LIMITED

We have audited the financial statements on pages 5 to 17 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte Touche

Chartered Accountants and
Registered Auditors

16 March 2001

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	2	11,343,924	11,014,900
Changes in stocks of finished goods		(1,976)	(4,909)
Other operating income		154,223	228,186
Raw materials and consumables		(949,667)	(902,418)
Other external charges		(4,383,363)	(4,706,347)
Staff costs	4	(2,742,224)	(2,543,707)
Depreciation and other amounts written off tangible fixed assets	8	(1,145,425)	(982,177)
Other operating charges		(1,201,723)	(1,186,957)
OPERATING PROFIT	3	<u>1,073,769</u>	<u>916,571</u>
Interest receivable and similar income		26,779	-
Interest payable and similar charges	5	(308,739)	(328,807)
Income from participating interest		<u>28,284</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		820,093	587,764
Tax on profit on ordinary activities	6	(377,683)	(217,183)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>442,410</u>	<u>370,581</u>
Dividends	7	(145,474)	(145,474)
RETAINED PROFIT FOR THE FINANCIAL YEAR 17		<u><u>296,936</u></u>	<u><u>225,107</u></u>

All activities are derived from continuing operations.

There have been no recognised gains or losses in the year other than the result for the year and prior year.

BALANCE SHEET

31 March 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8	11,373,048	9,792,193
Investments	9	771,905	522,856
		<u>12,144,953</u>	<u>10,315,049</u>
CURRENT ASSETS			
Stocks	10	135,707	132,905
Debtors	11	2,889,688	2,861,854
Cash at bank and in hand		104	103
		<u>3,025,499</u>	<u>2,994,862</u>
CREDITORS: amounts falling due			
Within one year	12	(3,688,109)	(3,084,693)
NET CURRENT LIABILITIES		<u>(662,610)</u>	<u>(89,831)</u>
TOTAL ASSETS LESS CURRENT			
LIABILITIES		<u>11,482,343</u>	<u>10,225,218</u>
CREDITORS: amounts falling due			
after more than one year	13	(3,726,391)	(3,142,969)
PROVISIONS FOR LIABILITIES AND			
CHARGES	15	<u>(1,661,332)</u>	<u>(1,284,565)</u>
		<u>6,094,620</u>	<u>5,797,684</u>
CAPITAL AND RESERVES			
Called up share capital	16	145,474	145,474
Share premium account	17	234,375	234,375
Capital redemption reserve	17	16,493	16,493
Profit and loss account	17	5,698,278	5,401,342
EQUITY SHAREHOLDERS' FUNDS	17	<u>6,094,620</u>	<u>5,797,684</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


 R J G SHIELDS

Director

9.10.00

CASH FLOW STATEMENT
Year ended 31 March 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	19	1,623,045	1,616,993
Returns on investments and servicing of finance			
Interest and other investment received		43,863	-
Interest paid in respect of finance leases		(134,387)	(132,480)
Bank interest paid		(164,584)	(196,327)
Net cash outflow from returns on investments and servicing of finance		(255,108)	(328,807)
Taxation			
Corporation tax paid		-	(51,051)
Corporation tax refunded		185,362	4,842
Tax refunded/(paid)		185,362	(46,209)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,540,319)	(1,194,296)
Receipts from sale of tangible fixed assets		90,207	76,304
Net cash outflow from capital expenditure		(1,450,112)	(1,117,992)
Acquisitions and disposals			
Payments to acquire investments in subsidiaries		(149)	(687)
Investment in associated undertaking		-	(500,000)
Repayment of loan in associated undertaking		-	10,000
Receipts from sale of associated undertaking		100	-
Net cash outflow from investing activities		(49)	(490,687)
Equity dividends paid		(145,474)	-
Net cash outflow before financing		(42,336)	(366,702)
Financing			
New loan		1,000,000	500,000
Repayment of loan		(325,000)	-
Repayment of capital elements of assets under finance leases and hire purchase		(596,276)	(448,958)
Net cash inflow from financing		78,724	51,042
Increase/(decrease) in cash	20	36,388	(315,660)

NOTES TO THE ACCOUNTS**Year ended 31 March 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Freehold land is not depreciated except the land which is currently being quarried. The cost less estimated residual value of other fixed assets is depreciated by equal annual instalments over the expected useful lives of the assets as follows:

Land being quarried	Period of extraction
Freehold properties	20-50 years
Plant and equipment	3-15 years

Investments

Investments are stated at the lower of cost and net realisable value less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods, cost comprises direct materials and an appropriate proportion of quarry fixed and variable overheads based on normal level of activity.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance Corporation Tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Leases and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pension costs

The company operates a funded defined benefit pension scheme. Contributions are made to a separately administered fund and are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The regular cost is attributed to individual years using the projected unit credit method.

The company also contributes to a defined contribution pension scheme. The costs are charged to the profit and loss account as they accrue.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on the pilot plant used for product development, which is capitalised when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward will be depreciated in line with the expected future sales from the project.

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

1. ACCOUNTING POLICIES (Continued)

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. Goodwill amounting to £55,000 has been eliminated against reserves. This goodwill has been eliminated as a matter of accounting policy and would be charged or credited in the profit and loss account on subsequent disposal of the business to which it related.

2. TURNOVER

Turnover comprises the invoice value of goods and services exclusive of VAT and is derived wholly within the United Kingdom from the continuing principal activity of the company.

3. OPERATING PROFIT

Operating profit is after charging/(crediting):

	2000 £	1999 £
Research and development expenditure written off	478,775	398,647
Hire of plant and equipment	91,658	129,144
Auditors' remuneration	19,800	12,300
Depreciation		
Owned assets	851,229	717,571
Leased assets	294,196	264,606
Operating lease rentals		
- Plant and machinery	2,540	4,810
- Land and buildings	25,000	25,000
Contract hire cars	16,724	16,276
Profit on disposal of fixed assets	(45,328)	(76,304)

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' remuneration		
Fees	28,864	28,720
Other remuneration	288,561	275,816
Pension contributions	40,963	36,818
	<u>358,388</u>	<u>341,354</u>
Remuneration of highest paid director		
Emoluments	178,386	169,938
Pension contributions	37,406	34,050
	<u>215,792</u>	<u>203,988</u>
	No	No
The number of directors who are members of:		
Defined contribution scheme	1	1
Defined benefit scheme	1	1
	<u>2</u>	<u>2</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

	2000 No	1999 No
Average number of persons employed		
Management and administration	24	21
Production, distribution and sales	84	80
	<u>108</u>	<u>101</u>
	£	£
Staff costs during the year:		
Wages and salaries	2,391,180	2,233,964
Social security costs	193,391	189,843
Other pension costs	157,653	119,900
	<u>2,742,224</u>	<u>2,543,707</u>

5. INTEREST PAYABLE

	2000 £	1999 £
Bank loan and overdraft	174,352	196,327
Finance leases and hire purchase contracts	134,387	132,480
	<u>308,739</u>	<u>328,807</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 20% (1999 - 21%) based on the profit for the year	-	87
Group relief	938	1,047
Deferred taxation	246,159	89,526
Movement in unrelieved Advance Corporation Tax	(27)	-
	<u>247,070</u>	<u>90,660</u>
Adjustments to prior years' tax provisions		
Corporation tax	(22)	(84,980)
Deferred tax	130,635	211,503
	<u>377,683</u>	<u>217,183</u>

The tax charge is disproportionately high due to the full provision of deferred tax previously unprovided.

7. DIVIDENDS

	2000 £	1999 £
Final proposed dividend of £1 (1999: £1) per share	<u>145,474</u>	<u>145,474</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

8. TANGIBLE FIXED ASSETS

	Freehold properties £	Plant and machinery £	Total £
Cost			
At 1 April 1999	1,768,737	17,588,653	19,357,390
Additions	5,500	2,765,659	2,771,159
Disposals	-	(163,161)	(163,161)
	<hr/>	<hr/>	<hr/>
At 31 March 2000	1,774,237	20,191,151	21,965,388
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 April 1999	432,965	9,132,232	9,565,197
Charge for the year	19,814	1,125,611	1,145,425
Disposals	-	(118,282)	(118,282)
	<hr/>	<hr/>	<hr/>
At 31 March 2000	452,779	10,139,561	10,592,340
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2000	1,321,458	10,051,590	11,373,048
	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,335,772	8,456,421	9,792,193
	<hr/>	<hr/>	<hr/>

Freehold properties include land other than that which is currently being quarried amounting to £943,298 (1999: £937,798).

Plant and machinery includes the pilot plant for product development amounting to £4,921,424 (1999: £3,353,009). No depreciation has been charged as it has not produced revenue during the year.

Plant and machinery includes items held under finance leases at a cost of £3,549,431 (1999: £2,599,555). The depreciation attributable to these items during the year was £294,196 (1999: £264,606).

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

9. INVESTMENTS

	Subsidiary Undertaking shares £	Joint Venture £	Other investments £	Total £
Cost:				
At 1 April 1999	57,853	506,003	15,000	578,856
Additions	249,149	-	-	249,149
Disposals	-	(100)	-	(100)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	307,002	505,903	15,000	827,905
	<hr/>	<hr/>	<hr/>	<hr/>
Provisions:				
At 1 April 1999 and 31 March 2000	(56,000)	-	-	(56,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amounts:				
At 31 March 2000	251,002	505,903	15,000	771,905
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,853	506,003	15,000	522,856
	<hr/>	<hr/>	<hr/>	<hr/>

The company is exempt from the requirements to prepare group accounts, due to it being a subsidiary of Longcliffe Property Holdings Limited, a company which prepares consolidated financial statements.

During the year, the company was refunded its investment in Bayville Realisation Services Limited.

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of company	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and share held	Nature of Business
Subsidiary undertakings				
Transcycle Limited	England and Wales	Ordinary shares	100%	Waste recycling
Central Technology UK Limited	England and Wales	Ordinary shares	100%	Minerals
Avochie Granite Co. Limited	England and Wales	Ordinary shares	100%	Dormant
Longcliffe Lime Company Limited	England and Wales	Ordinary shares	100%	Dormant
Joint ventures				
Allied Marble and Granite Limited	England and Wales	Ordinary shares	50%	Marble
Central Chemicals Co Limited	England and Wales	Ordinary shares 'A' ordinary shares	50% 70%	Chemicals

10. STOCKS

	2000 £	1999 £
Finished goods	39,635	37,659
Consumable goods	96,072	95,246
	<hr/>	<hr/>
	135,707	132,905
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

11. DEBTORS

	2000 £	1999 £
Trade debtors	2,476,981	2,251,385
Amounts owed by group undertakings	333,946	355,953
Taxation recoverable	-	185,362
Prepayments and accrued income	78,761	69,154
	<u>2,889,688</u>	<u>2,861,854</u>

All debtors are due within one year.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdraft	509,964	349,685
Obligations under finance lease and hire purchase contracts	739,727	521,214
Trade creditors	1,666,966	1,365,130
Amounts owed to group undertakings	5,211	5,211
Other taxation and social security	181,123	264,260
Other creditors	11,043	36,356
Accruals and deferred income	428,601	397,363
Proposed dividend	145,474	145,474
	<u>3,688,109</u>	<u>3,084,693</u>

The bank overdraft is secured by a fixed charge on the company's debts and a floating charge on the undertaking and assets of the company.

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loan	2,478,334	2,000,000
Obligations under finance lease and hire purchase contracts	1,248,057	1,112,969
Accruals and deferred income	-	30,000
	<u>3,726,391</u>	<u>3,142,969</u>

The bank loans are secured by a fixed and floating charge on the company's freehold properties and a floating charge over all assets. The loans are repayable in equal quarterly instalments amounting to £130,000 and bear interest at 1.50% over LIBOR.

Obligations under finance leases and hire purchase contracts are secured by related leased assets and bear finance charges at normal commercial rates.

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

14. BORROWINGS

	2000 £	1999 £
Analysis of bank borrowings		
In one year or less or on demand	509,964	349,685
In one year or more but not more than two	446,666	300,000
In two years or more but not more than five	1,340,000	900,000
In more than five years	691,668	800,000
	<u>2,988,298</u>	<u>2,349,685</u>
Analysis of finance leases and hire purchase contracts		
Within one year or on demand	739,727	521,214
Within one to two years	491,213	564,041
Within two to five years	756,844	548,928
	<u>1,987,784</u>	<u>1,634,183</u>
Total borrowings	<u>4,976,082</u>	<u>3,983,868</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation		
Balance at 1 April	1,334,590	1,033,561
Charge for the year	246,159	89,526
Prior year adjustment	130,635	211,503
	<u>1,711,384</u>	<u>1,334,590</u>
Balance at 31 March	<u>1,711,384</u>	<u>1,334,590</u>

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided		Not provided	
	2000 £	1999 £	2000 £	1999 £
Capital allowances in excess of depreciation	1,828,760	1,707,074	-	119,975
Short term timing differences	(4,952)	448	-	-
Losses	(112,424)	(372,932)	-	-
	<u>1,711,384</u>	<u>1,334,590</u>	<u>-</u>	<u>119,975</u>
Less: unrelieved Advance Corporation Tax	(50,052)	(50,025)	-	-
	<u>1,661,332</u>	<u>1,284,565</u>	<u>-</u>	<u>119,975</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

16. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised 150,000 ordinary shares of £1 each	150,000	150,000
Called up, allotted and fully paid 145,474 ordinary shares of £1 each	145,474	145,474

17. MOVEMENT ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital 2000 £	Share premium account 2000 £	Capital redemption reserve 2000 £	Profit and loss account 2000 £	Total 2000 £	Total 1999 £
At 1 April	145,474	234,375	16,493	5,401,342	5,797,684	5,572,577
Profit attributable to members	-	-	-	442,410	442,410	370,581
Dividends	-	-	-	(145,474)	(145,474)	(145,474)
At 31 March	145,474	234,375	16,493	5,698,278	6,094,620	5,797,684

18. CAPITAL COMMITMENTS

	2000 £	1999 £
Contracted but not provided for	607,064	77,240

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES:

	2000 £	1999 £
Operating profit	1,073,769	916,571
Depreciation	1,145,425	982,177
Profit on disposal of tangible fixed assets	(45,328)	(76,304)
Increase in stocks	(2,802)	(44,525)
Increase in debtors	(451,934)	(296,359)
(Decrease)/increase in creditors	(96,085)	135,433
	1,623,045	1,616,993

NOTES TO THE ACCOUNTS
Year ended 31 March 2000**20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2000 £	1999 £
Increase/(decrease) in cash in the period	36,388	(315,660)
Cash outflow from increase in debt and lease financing	(78,724)	(51,042)
New finance leases	(949,877)	(350,882)
	<u> </u>	<u> </u>
Change in net debt in the period	(992,213)	(717,584)
Net debt at 1 April	(3,983,765)	(3,266,181)
	<u> </u>	<u> </u>
Net debt at 31 March	<u>(4,975,978)</u>	<u>(3,983,765)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 1999 £	Cash flows £	Other Non-cash charges £	At 31 March 2000 £
Cash at bank and in hand	103	1	-	104
Overdrafts	(99,685)	36,387	-	(63,298)
		<u>36,388</u>		
Finance leases	(1,634,183)	596,276	(949,877)	(1,987,784)
Debt due after one year	(2,000,000)	(478,334)	-	(2,478,334)
Debt due within one year	(250,000)	(196,666)	-	(446,666)
		<u>(78,724)</u>		
	<u>(3,983,765)</u>	<u>(42,336)</u>	<u>(949,877)</u>	<u>(4,975,978)</u>

Non-cash transactions

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the lease of £949,877 (1999: £350,882).

22. PENSION COMMITMENTS

The company operates a defined benefit pension scheme which is funded by the payment of contributions to separately administered funds. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The most recent valuation was conducted as at 1 April 1998 assuming that the real rate of investment return would be 8.5% per annum and that the real rate of salary increases would average 6.5% per annum. The pension charge for the year was £118,937 (1999: £85,849). The charge is assessed in accordance with the advice of independent qualified actuaries.

The most recent actuarial valuation showed that market value of schemes assets amounted to £5,073,000 and the actuarial value of those assets represented 123% of the benefits that had accrued to members, after allowing for future increases in earnings. In addition, the most recent actuarial valuation showed a surplus of £765,000 which is utilised by a reduction in contributions.

The company also operates a defined contribution pension scheme, the assets being held separate from the company future in an independently administered fund. The employer contributions are charged direct to the profit and loss account and amounted to £38,716 (1999: £34,051)

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

23. FINANCIAL COMMITMENTS

The company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Leases which expire:				
Within one year	-	-	2,742	4,232
After 5 years	25,000	25,000	-	-
	<u>25,000</u>	<u>25,000</u>	<u>2,742</u>	<u>4,232</u>

24. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Longcliffe Property Holdings Limited. Longcliffe Property Holdings Limited has prepared consolidated financial statements for the year ended 31 March 2000 and therefore, the company has relied on the exemptions contained within Financial Reporting Standard 8 in respect of the disclosure of related party transactions.

Costs of £58,152 (1999 - £42,672) relating to the development of a quarry at Avochie have been incurred by R J G Shields trading as Avochie Estate and recharged to the company. Of this amount, £20,823 (1999: £12,831) is still outstanding at the year end.

Sales from Longcliffe Quarries Limited to Allied Marble and Granite Limited during the year ended 31 March 2000 amounted to £33,759 (1999: £19,108).

25. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent undertaking of the company is Longcliffe Property Holdings Limited, a company registered in England and Wales. Copies of the accounts of this company can be obtained from Longcliffe Quarries Limited, Brassington, Matlock, Derbyshire, DE4 4BZ.

Longcliffe Property Holdings Limited is controlled by RJG Shields and members of his immediate family.

26. POST BALANCE SHEET EVENT

On 18 August 2000, the company disposed of its shareholding in Central Chemicals Co Limited. The holding, which originally cost £505,900, was sold for £575,000.