

CAMAS UK LIMITED

(formerly ECC Construction Materials Limited)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994



The Company's registered number is 345027

CAMAS UK LIMITED REPORT OF THE DIRECTORS

The directors present their report on the affairs of the Company together with the accounts and auditors' report for the year ended 31 December 1994.

Change of name

On 1 June 1994 the name of the Company was changed from ECC Construction Materials Limited to CAMAS UK Limited.

Principal activities and business review

The principal activities of the Company include quarrying, the manufacture of coated roadstone and pre-cast concrete products used in the construction industry together with road surfacing and associated services and the supply of shipping services.

On 4 March 1994 the Company acquired the entire issued share capital and loan stock of Meldon Quarry Limited and the issued share capital of Euston Holdings Limited for a combined consideration of £5,108,000. The trade and assets of Meldon Quarry Limited were transferred to the Company in April 1994.

On 31 May 1994 the Company's holding company, CAMAS Holdings Limited (formerly Marchmont Holdings Limited) was transferred from English China Clays plc to CAMAS plc in accordance with an agreement dated 12 May 1994 providing for the demerger of the construction materials interests of English China Clays plc.

CAMAS Aggregates enjoyed volume gains of 12% with all regions of the country benefiting. Coated roadstone volumes were flat following exceptionally high volumes in 1993.

Selling prices of aggregates hardened significantly and average prices in 1994 were some 9% higher than the previous year. Coated roadstone margins also experienced a 16% cumulative gain.

During the year the reserve position was strengthened by the acquisition of Meldon Quarry at Okehampton and by planning consent secured over a total of 72 million tonnes at Croft Quarry near Leicester and Moorcroft Quarry in Plymouth.

In CAMAS Building Materials commodity products had a better year. While paving and kerb and block paving all showed a small margin improvement, the greatest change was in dense building blocks where an 11% volume gain combined with a 9% increase in price to provide a significant increase in profitability.

Overall volumes in garden and leisure products were strong but the greatest gains were in lower priced products, reducing overall average prices and depressing the margin. Increased levels of sales in the lower priced paving products led to some disruption of production, giving rise to a reduction in service level and some significantly increased production costs. While the performance of the business as a whole improved during 1994, in order to secure further improvements, major organisational changes were implemented towards the end of the year and are already taking effect.

CAMAS UK LIMITED
REPORT OF THE DIRECTORS

Principal activities and business review (continued)

CAMAS Associated Asphalt achieved a record volume of surfacing work laying 2 million tonnes of coated materials. Margins improved during 1994 as the volume of work available through major maintenance projects increased.

In early 1995 the plant and business of Constable Hart, a surfacing contractor operating principally in the South and South West, were acquired giving the opportunity to increase productivity and rationalise costs.

Fixed assets

Information relating to changes in fixed assets is given in notes 8 and 9 to the accounts.

The Company's interests in freehold and leasehold properties and mineral reserves were valued at 1 October 1982 at £40.9 million and this valuation was incorporated into the accounts for the year to 30 September 1983.

In the opinion of the directors, the current value of the Company's freehold and leasehold land, buildings and mineral rights, based on prices paid in recent years in the open market for similar assets, is substantially in excess of the figure at which they are stated in the Company balance sheet at 31 December 1994.

Results and dividends

Company results, dividends and recommended transfers to reserves are as follows:

	£'000
Retained profit brought forward	1,341
Profit on ordinary activities after taxation	5,283
Transfer from revaluation reserve	677
Goodwill on sale reinstated	186
	<hr/>
Retained profit carried forward	<u>7,487</u>

The directors do not recommend the payment of a dividend.

Directors and their interests

All the directors held office throughout the year, except where otherwise shown:

A L Shearer	Chairman
D Tidmarsh	appointed 9 May 1994
M R Green	
Dr J W Inglis	
P Bowden	appointed 3 November 1994
C S Bailey	resigned 31 July 1994
M E Hayes	resigned 31 July 1994
T D B Harrison	resigned 1 October 1994
A H Teare	resigned 31 May 1994

CAMAS UK LIMITED
REPORT OF THE DIRECTORS

Directors and their interests (continued)

The interests of each of the directors who held office at 31 December 1994 in the share capital of CAMAS plc, the ultimate holding company, are shown below with the exception of Mr A L Shearer and Mr D Tidmarsh whose interests are disclosed in the accounts of CAMAS plc. All interests are beneficial.

		Share options	
	Ordinary shares	Savings related	Executive
1 January 1994			
M R Green	-	-	-
Dr J W Inglis	-	-	-
P Bowden*	-	-	64,090
* or as at date of appointment			
Share options granted during the year			
M R Green		-	139,448
31 December 1994			
M R Green	25,007	-	139,448
Dr J W Inglis	4,208	-	-
P Bowden	-	-	64,090

- i) Options granted under the CAMAS Sharesave Scheme on 30 June 1994 may be exercised on various dates up to 28 February 2002 at a price of 63.4 pence per share.

Options granted under the CAMAS Executive Share Option Scheme on 8 June 1994 may be exercised between 8 June 1997 and 8 June 2004 at a price of 79.2 pence per share, subject to the achievement of the required performance target which requires that the growth in earnings per share over a period of three consecutive financial years exceeds the increase in the Index of Retail Prices (all items).

- ii) No options were exercised or lapsed during the year.
- iii) During the period 1 January 1995 to 31 March 1995 there was no change in the interests of the directors shown above.
- iv) The options held by the executive directors of the Company under the CAMAS Sharesave Scheme and the CAMAS Executive Share Option Scheme are held under the same terms as those applying to other participants in these schemes.

CAMAS UK LIMITED
REPORT OF THE DIRECTORS

Directors and officers liability insurance

During the year CAMAS plc, the ultimate holding company, purchased liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985. This insurance provides cover for the directors and officers of this Company.

Employees

CAMAS provides employees with information about the Company and its subsidiaries through newsletters in which employees have also been encouraged to present their suggestions and views on CAMAS' performance. Regular meetings are held between management and employees to allow a free flow of information and ideas.

CAMAS provides training and the opportunity for career development equally and without discrimination to all levels and categories of employees.

CAMAS gives every consideration to applications for employment from handicapped and disabled persons where the requirements of the job may be adequately covered by these persons. For those employees who have become handicapped or disabled during the year, CAMAS seeks to provide continuing employment through retraining, but in the event that this is not possible, CAMAS provides ill health early retirement as part of its pension arrangements.

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.

On 6 February 1995 the auditors changed the name under which they practise to KPMG and, accordingly, have signed their audit report in their new name.

By Order of the Board



J Simpson
Secretary

Regent House,
Rodney Road,
Cheltenham,
Gloucestershire.
GL50 1HX

31 March 1995

CAMAS UK LIMITED

Statement of directors' responsibilities in respect of the accounts

The Companies Act 1985 requires the directors 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 profit or loss for that period. In preparing the accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

CAMAS UK LIMITED

Report of the auditors KPMG to the members of CAMAS UK Limited

We have audited the accounts on pages 8 to 21.

Respective responsibilities of directors and auditors

As described on page 6 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors
London

31 March 1995

CAMAS UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 £'000	1993 £'000
TURNOVER - continuing operations	2	311,730	267,226
Change in stocks of finished goods and work in progress		(1,820)	127
Own work capitalised		642	748
Other operating income		1,297	1,283
Raw materials and consumables		(121,701)	(97,362)
Other external charges		(100,176)	(91,585)
Employment costs	7	(69,819)	(65,245)
Depreciation of tangible fixed assets	8	(11,408)	(12,163)
Operating profit - continuing operations		8,745	3,029
Profit on sale of property	4	257	6,024
Restructuring costs	5	(23)	(99)
		8,979	8,954
Income from unlisted investments		61	253
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	9,040	9,207
Tax on profit on ordinary activities	6(a)	(3,757)	1,132
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION being PROFIT FOR THE FINANCIAL YEAR		5,283	10,339
Dividends - paid		-	(8,100)
- proposed		-	(2,896)
RETAINED PROFIT/(LOSS) FOR THE YEAR	15	5,283	(657)

The notes on pages 10 to 21 inclusive form part of these accounts.

A statement of the movement on reserves is given in note 15.

The Company has no recognised gains or losses other than the profit for the year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	1994 £'000	1993 £'000
Reported profit on ordinary activities before taxation	9,040	9,207
Realisation of property revaluation gains of previous years	480	-
Difference between historical cost depreciation and the actual depreciation charge for the year calculated on the revalued amount	197	300
	9,717	9,507
Historical cost profit retained after taxation	5,960	10,639

CAMAS UK LIMITED
BALANCE SHEET
AT 31 DECEMBER 1994

	Note	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible Assets	8	152,047	153,095
Investments	9	6,700	518
		<u>158,747</u>	<u>153,613</u>
CURRENT ASSETS			
Stocks	10	35,552	37,178
Debtors - amounts due within one year	11	65,050	59,419
- amounts due after more than one year	11	4,858	8,280
Cash at bank and in hand		-	149
		<u>105,460</u>	<u>105,026</u>
CREDITORS:			
Amounts due within one year	12	(61,297)	(52,908)
		<u>44,163</u>	<u>52,118</u>
NET CURRENT ASSETS			
		<u>202,910</u>	<u>205,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS:			
Amounts due after more than one year	13	(166,807)	(175,386)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	6(b)	(2,723)	(2,346)
ACCRUALS AND DEFERRED INCOME			
Capital grants		(123)	(211)
		<u>33,257</u>	<u>27,788</u>
CAPITAL AND RESERVES			
Called up share capital	14	16	16
Revaluation reserve	15	25,754	26,431
Profit and loss account	15	7,487	1,341
		<u>33,257</u>	<u>27,788</u>
Shareholders' funds - equity		<u>33,257</u>	<u>27,788</u>

The accounts on pages 8 to 21 were approved by the Board of Directors on 31 March 1995 and signed on its behalf by:

A L Shearer
Director
31 March 1995



The notes on pages 10 to 21 inclusive form part of these accounts.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

1: ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention modified by the revaluation of certain land and buildings, and in accordance with applicable UK accounting standards.

Basis of Preparation

- a) Group accounts have not been prepared as the Company is a wholly owned subsidiary of another company incorporated in Great Britain for which consolidated accounts are prepared. Therefore, the accounts present information about the Company as an individual undertaking and not about its group.
- b) Associated undertakings are those in which the Company has a participating interest and over which the Company exerts significant influence and in which the Company's investment is intended to be long term.
- c) Investments in subsidiary and associated undertakings, including loans, and other investments are stated at cost less amounts written off.

Depreciation of Tangible Fixed Assets

Depreciation is provided on a straight-line basis to charge the cost or valuation of tangible fixed assets, less their estimated residual values, over their estimated useful lives, as follows:

a) *Freehold and leasehold properties*

Freehold mineral reserves judged to have remaining lives of 20 years or less are depreciated over their remaining lives. Mineral reserves judged to have remaining lives in excess of 20 years and freehold land are not depreciated.

Freehold buildings are depreciated over 50 years or their remaining useful lives, whichever is the shorter. Leasehold land, buildings and mineral reserves are depreciated over 50 years or over their useful lives or the period of the lease, whichever is the shorter.

b) *Plant and machinery*

Depreciation of plant and machinery is calculated when each item is first brought into use in accordance with the estimated ranges of useful lives of categories of plant as follows:

Fixed plant, machinery and equipment	5-20 years
Office equipment, furniture and fittings	3-15 years
Mobile plant and equipment	3-15 years.

The estimated lives of categories referred to above are under constant review and changes are made when appropriate.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

1: ACCOUNTING POLICIES (continued)

Leased Assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and estimated net realisable value. For work in progress and finished goods manufactured by the Company, cost includes, where appropriate, an element of overhead cost.

On long term contracts the amount of profit attributable to the stage of completion is recognised when the outcome can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for losses which are foreseen.

Long term contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on long term contracts are included in debtors and represent turnover recognised in excess of payments on account.

Foreign Currencies

The foreign currency assets and liabilities of the Company are translated into sterling at the rates of exchange ruling at the accounting reference date and any adjustment is taken to the profit and loss account.

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

Capital Grants

Capital grants shown in the balance sheet represent total grants received or receivable to date less amounts transferred to profit and loss account.

Turnover

Turnover represents the amounts charged to customers and is net of value added tax.

Pensions

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

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

2: TURNOVER

Turnover consists of income from quarrying, the manufacture of coated roadstone, the manufacture and licensing of pre-cast concrete products used in the construction industry, road surfacing and associated services, and the supply of shipping services.

	1994 £'000	1993 £'000
Turnover analysed by geographical destination		
- United Kingdom	309,728	265,700
- Overseas	2,002	1,526
	<u>311,730</u>	<u>267,226</u>

3: PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration	108	105
Hire of plant and machinery		
- under operating leases	6,876	6,215
- other	12,592	11,154
Other operating lease rentals	942	863
	<u> </u>	<u> </u>
And after crediting:		
Profit on disposal of plant and machinery	408	351
Transfer from capital grants	88	103
Rents receivable	778	778
	<u> </u>	<u> </u>

During the year £16,000 (1993: £15,000) was paid to KPMG in respect of services other than in their capacity as auditors.

4: PROFIT ON SALE OF PROPERTY

	1994 £'000	1993 £'000
Profit on sale of property	<u>257</u>	<u>6,024</u>

5: RESTRUCTURING COSTS

Costs of fundamental restructuring in connection with the demerger	<u>23</u>	<u>99</u>
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CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

6: TAXATION

a) Tax on profit on ordinary activities

	1994 £'000	1993 £'000
UK corporation tax @ 33% (1993: 33%) on taxable profit for the year	2,459	57
Deferred taxation	377	(1,189)
Amount due in respect of group relief	921	-
	<u>3,757</u>	<u>(1,132)</u>

b) Deferred Taxation - Timing Differences

	Accelerated capital allowances £'000	Other £'000	Total £'000
At 31 December 1993	2,846	(500)	2,346
Movement during the year	<u>(318)</u>	<u>695</u>	<u>377</u>
At 31 December 1994	<u>2,528</u>	<u>195</u>	<u>2,723</u>

The liability for deferred taxation, for which no provision is considered necessary, in respect of the excess of capital allowances over the provision for depreciation of tangible fixed assets and other timing differences amounts to approximately £14,654,000 (1993: £14,654,000).

c) Other Taxation Matters

No provision has been made for potential liabilities which might arise in the event of disposal of properties revalued in the accounts or for capital gains deferred in accordance with the provisions of the Capital Gains Tax Act 1979 as the directors are of the opinion that the likelihood of any material liability arising is remote.

7: EMPLOYEES AND DIRECTORS

a) Employment Costs (including directors)

	1994 £'000	1993 £'000
Wages and salaries	60,084	56,180
Social security costs	4,925	4,359
Other pension costs	<u>4,810</u>	<u>4,706</u>
	<u>69,819</u>	<u>65,245</u>

b) The average number of persons employed during the year was 3,279 (1993: 3,225).

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

7: EMPLOYEES AND DIRECTORS (continued)

c) Pensions

The majority of employees (including executive directors) participate in retirement plans operated by CAMAS plc ("CAMAS"), the ultimate holding company. The major schemes are of the defined benefit type under which benefits are based on employees' years of service and average final remuneration, the assets of which are held in separate trustee administered funds. Pension costs are assessed in accordance with the advice of independent actuaries.

Following the demerger the UK employees of the Company and its fellow subsidiary undertakings continued their membership of the English China Clays Pension and Life Assurance Scheme and the English China Clays Executive Retirement Benefits Scheme (respectively known as the "Main Pension Scheme" and the "Executive Pension Scheme" and together the "UK Schemes") for a transitional period to 30 November 1994. With effect from 1 December 1994 CAMAS established its own pension schemes (respectively known as "CAMAS Retirement Benefits Scheme" and "CAMAS Executive Retirement Benefits Scheme" and together the "CAMAS Schemes") which mirrored the UK Schemes and all contributing members, deferred pensioners and pensioners of the UK Schemes whose last employment was with the Company or a fellow subsidiary undertaking, transferred to the new schemes. English China Clays, CAMAS and the trustees of the UK Schemes and CAMAS Schemes agreed that, subject to various conditions, the accrued liabilities of the UK Schemes in respect of the CAMAS contributing members, deferred pensioners and pensioners would be transferred to the CAMAS Schemes in exchange for an asset transfer on a share of fund basis as determined by the actuary of the UK Schemes and agreed by the actuary of the CAMAS Schemes.

The preliminary transfer of funds at 1 December 1994 amounted to £125 million.

The trustee of the CAMAS Retirement Benefits Scheme is CAMAS Pension Fund Trustees Limited and the trustee of the CAMAS Executive Retirement Benefits Scheme is CAMAS Executive Pension Fund Trustees Limited.

The last valuation of the UK Schemes was carried out as at 5 April 1993 using the projected unit method, by an independent actuary. The assumptions which have the most effect on the results of the valuation are those relating to the rate of increase in salaries and pensions and the rates of return on investments. It was assumed that salaries would increase by 7.5 per cent. per annum, pensions in excess of guaranteed minimum pensions would increase by 3.5 per cent. per annum or RPI if less, in respect of pensionable service accrued to 5 April 1993 and 5 per cent. per annum or RPI if less, in respect of pensionable service from 6 April 1993, and that the rate of return on investments would be 9.5 per cent. per annum.

At the date of the last actuarial valuation given above the market value of the assets in the UK Schemes was £349.4 million. At 6 April 1993, the actuarial value placed on these assets was £304.6 million representing 104 per cent. of the value of benefits that had accrued to members, after allowing for future increases in earnings. In calculating this ratio, assets were valued consistently with the liabilities and the actuaries assumed that dividends on equity investments would increase by 4.5 per cent. per annum. The contribution rates currently paid by CAMAS to the new schemes are in line with the advice of the actuary to those Schemes and are at the same rate as those contributions to the UK Schemes.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

7: EMPLOYEES AND DIRECTORS (continued)

d) Directors

	1994 £'000	1993 £'000
Emoluments including pension contributions	323	469
Compensation for loss of office	143	-
	<u>466</u>	<u>469</u>

The emoluments (excluding pension contributions) of the directors of the Company fell within the following ranges:

	1994 Number of Directors	1993 Number of Directors
£ 0 - £ 5,000	3	3
10,001 - 15,000	1	-
15,001 - 20,000	1	-
35,001 - 40,000	1	-
60,001 - 65,000	1	-
85,001 - 90,000	1	-
90,001 - 95,000	-	2
95,001 - 100,000	-	2
100,001 - 105,000	<u>1</u>	<u>-</u>

	1994 £'000	1993 £'000
Chairman	<u>nil</u>	<u>nil</u>
Highest paid director	<u>101</u>	<u>98</u>

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

8: TANGIBLE FIXED ASSETS

	Land, Buildings and Mineral Reserves		Plant and Machinery	Total
	Freehold Property £'000	Leasehold Property £'000	£'000	£'000
Cost or Valuation:				
At 31 December 1993	89,477	5,105	163,370	257,952
Transfer from group undertaking	2,250	-	3,575	5,825
Additions	1,319	249	6,917	8,485
Disposals	(2,342)	-	(4,769)	(7,111)
At 31 December 1994	90,704	5,354	169,093	265,151
Comprising:				
- cost	56,964	2,313	169,093	228,370
- valuation at 1 October 1982	33,740	3,041	-	36,781
Depreciation:				
At 31 December 1993	10,525	1,500	92,832	104,857
Transfer from group undertaking	-	-	2,025	2,025
Provision for year	1,094	262	10,052	11,408
Disposals	(799)	-	(4,387)	(5,186)
At 31 December 1994	10,820	1,762	100,522	113,104
Net Book Value:				
At 31 December 1994	79,884	3,592	68,571	152,047
Net Book Value:				
At 31 December 1993	78,952	3,605	70,538	153,095
Gross book value of depreciable assets	79,503	5,354	169,093	253,950

- a) Properties held under leases with fifty or more years' unexpired life account for £179,000 (1993: £220,000) of the net book value of leasehold properties of £3,592,000 (1993: £3,605,000).
- b) Included in the above cost of £228,370,000 (1993: £221,013,000) is an amount of £3,252,000 (1993: £2,646,000) in respect of assets in the course of construction.
- c) The cost of the freehold and leasehold land, buildings and mineral reserves included above at valuation was £10,183,000 (1993: £10,271,000).

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

9: INVESTMENTS

	Shares £'000	Loans £'000	Total £'000
Subsidiary Undertakings			
Additions during year at cost	5,108	-	5,108
At 31 December 1994	5,108	-	5,108
Associated Undertakings			
At 31 December 1993	262	256	518
Disposals	-	(147)	(147)
At 31 December 1994	262	109	371
Other Investments			
Additions during year at cost	-	1,221	1,221
At 31 December 1994	-	1,221	1,221
Total Investments			
At 31 December 1994	5,370	1,330	6,700
At 31 December 1993	262	256	518

The Company has the indicated holding in the issued ordinary share capital of each of the subsidiary and associated undertakings named below:-

Subsidiary Undertaking	Country of Registration	Proportion held	Nature of business
Meldon Quarry Limited	England & Wales	100%	Dormant
Euston Holdings Limited	England & Wales	100%	Railway line operator

In the opinion of the Directors of the Company, the aggregate value of the assets of the Company, consisting of shares in or amounts owing (whether on account of a loan or otherwise) from each of the Company's subsidiary undertakings is not less than the amounts at which those assets are stated or included in the balance sheet.

Associated Undertaking	Country of Registration	Proportion held	Nature of business
London Roadstone Limited	England & Wales	50%	Supply of road surfacing materials
The Mendip Basalt Company Limited	England & Wales	50%	Quarry owner
ReadyMixed Concrete (South-West) Limited	England & Wales	49%	Supply of ready-mixed concrete

At 31 December 1994 the investment in associated undertakings under the equity method of valuation amounts to £876,000.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

10: STOCKS

	1994 £'000	1993 £'000
Production materials	5,409	5,622
Short term work in progress	3,970	3,115
Finished goods and goods for resale	26,173	28,441
	<u>35,552</u>	<u>37,178</u>
Short term work in progress:		
Net costs less foreseeable losses	120,839	63,083
less applicable payments on account	<u>(116,869)</u>	<u>(59,968)</u>
	<u>3,970</u>	<u>3,115</u>

11: DEBTORS

Trade debtors	53,779	49,562
Amounts recoverable on contracts	31	1,031
Amounts owed by group undertakings	7,478	10,460
Amounts owed by associated undertakings	611	519
Other debtors	790	781
Prepayments and accrued income	7,219	5,346
	<u>69,908</u>	<u>67,699</u>

Included within amounts owed by group undertakings and other debtors is £4,111,000 (1993: £7,692,000) and £747,000 (1993: £588,000), respectively, which is receivable after more than one year.

12: CREDITORS

	1994 £'000	1993 £'000
Amounts due within one year:		
Bank Overdraft	2,645	-
Payments received on account	257	1,021
Trade creditors	34,503	30,008
Amounts owed to group undertakings	2,577	4,840
Proposed dividend	-	2,896
Amounts owed to undertakings in which the Company has a participating interest	7	-
Other creditors	15,224	10,976
Corporation tax	1,607	-
Other taxation and social security	4,477	3,167
	<u>61,297</u>	<u>52,908</u>

The bank overdraft is secured by a guarantee from certain group undertakings.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

13: CREDITORS

	1994 £'000	1993 £'000
Amounts due after more than one year:		
Advances from ultimate parent undertaking	124,676	135,681
Advances from group undertakings	42,131	39,705
	<u>166,807</u>	<u>175,386</u>

In accordance with the policy of the ultimate parent undertaking, CAMAS plc, to finance its United Kingdom subsidiaries through the provision of loan capital, these advances are interest free and there is no fixed date for repayment.

14: SHARE CAPITAL

	1994 £'000	1993 £'000
Authorised:		
250,000 ordinary shares of 10p each	<u>25</u>	<u>25</u>
Allotted, called up and fully paid:		
165,000 ordinary shares of 10p each	<u>16</u>	<u>16</u>

15: RESERVES

	Revaluation reserve £'000	Profit and loss account £'000
At 31 December 1993	26,431	1,341
Transferred to profit and loss account	(677)	677
Goodwill on sale reinstated	-	186
Retained profit for the year	<u>-</u>	<u>5,283</u>
At 31 December 1994	<u>25,754</u>	<u>7,487</u>

16: SHAREHOLDERS' FUNDS

	1994 £'000	1993 £'000
Opening shareholders' funds	27,788	28,455
Profit for the year	5,283	10,339
Dividends paid	-	(10,996)
Goodwill restated/(written off)	186	(10)
Closing shareholders' funds	<u>33,257</u>	<u>27,788</u>

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

17: FINANCIAL COMMITMENTS

a) Capital Expenditure

	1994 £'000	1993 £'000
Contracted but not provided in these accounts	<u>317</u>	<u>235</u>
Authorised by directors but not contracted	<u>7,432</u>	<u>2,339</u>

b) Leasing

	1994		1993	
	Property £'000	Plant and Machinery £'000	Property £'000	Plant and Machinery £'000
Annual commitments in respect of operating lease rentals expiring:				
With one year	235	1,027	88	732
Between two and five years	217	6,866	47	6,842
After five years	<u>935</u>	<u>617</u>	<u>1,246</u>	<u>354</u>
	<u>1,387</u>	<u>8,510</u>	<u>1,381</u>	<u>7,928</u>

18: CONTINGENT LIABILITIES

The Company has guaranteed bank facilities for certain group and associated undertakings. The total amount of these facilities in use at 31 December 1994 was £64,166,000.

The Company has provided guarantees in respect of performance bonds and other commitments entered into by certain group companies in the ordinary course of business. At 31 December 1994 these guarantees amounted to £3,324,000.

The Company is from time to time party to legal proceedings and claims which arise in the ordinary course of business. These are not expected to have a material adverse effect on the Company's financial position.

19: POST BALANCE SHEET EVENT

In January 1995 the Company acquired the plant and business of Constable Hart, a surfacing contractor operating principally in the South and South West of England.

20: CASH FLOW STATEMENT

In accordance with Financial Reporting Standard (FRS) No. 1, the Company has not included a cash flow statement as part of these accounts because the Company is a wholly owned subsidiary undertaking of a UK parent undertaking which fully complies with the FRS.

CAMAS UK LIMITED
NOTES TO THE ACCOUNTS

21: ULTIMATE HOLDING COMPANY

The Company is a subsidiary undertaking of CAMAS Holdings Limited, incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by CAMAS plc. The consolidated accounts of CAMAS plc are available to the public and may be obtained from:

The Company Secretary
CAMAS plc
Regent House
Rodney Road
Cheltenham
Gloucestershire
GL50 1HX