

PREMIER LIME AND STONE COMPANY LIMITED

FINANCIAL STATEMENTS  
TO 31 DECEMBER 1994

Registered number 664770  
England and Wales

SCRUTTON BLAND  
COLCHESTER



# PREMIER LIME AND STONE COMPANY LIMITED

|                   |  |
|-------------------|--|
| Directors         | D L Colthorpe<br>J W Moseley                                   |
| Secretary         | K D Gooday   |
| Registered office | 18 Sir Isaac's Walk<br>Colchester<br>CO1 1JL                   |
| Registered number | 664770 England and Wales                                       |
| Auditors          | Scrutton Bland<br>18 Sir Isaac's Walk<br>Colchester<br>CO1 1JL |

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## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1994.

## Principal activities

The principal activity of the holding company is that of quarrying for lime, stone and aggregates, and related trades.

## Review of business and future developments

The profit and loss account for the year is set out on page 5.

The outlook for 1995 is not unreasonable given the current order book and the continuing level of civil engineering work. However, in the current economic climate the profitability for the year may again be difficult to maintain at the previous level.

## Dividends

The directors recommend a final dividend of £35,000.

## Directors

The directors in office during the year, and their interests in the company's share capital, were as follows :

|                          | Ordinary shares of 10p each |        |
|--------------------------|-----------------------------|--------|
|                          | At 31 December<br>1994      | 1993   |
| D L Colthorpe (Chairman) | -                           | -      |
| J W Moseley              | 10,000                      | 10,000 |

## Fixed assets

The movements in fixed assets during the year are set out in note 9 to the financial statements.

## Market value of land and buildings

In the opinion of the directors, the market value of the parent company's freehold land and buildings is in excess of their book value, but they do not feel that the expense of valuing them professionally is justifiable in view of the intention to continue to use them for the business. Based on a valuation in 1990, the subsidiary's market value of land and buildings held as fixed assets exceeds book value by £506,000.

DIRECTORS' REPORT

Directors' interest in contracts

None of the directors had a material interest in any contract of significance to which this company or a subsidiary was a party during the financial year.

Employment policies

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the company.

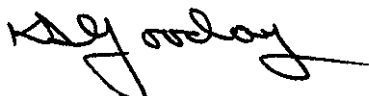
Employment of disabled persons

It is the policy of the company to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Where possible, arrangements are made for the continued employment of persons who have become disabled during service.

Auditors

Scrutton Bland have signified their willingness to continue in office as auditors, and a resolution re-appointing them will be submitted to the Annual General Meeting.

Signed by order of the board of directors



K D Gooday

Secretary

Approved by the board on 23 June 1995

## PREPARATION OF FINANCIAL STATEMENTS

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 group and company and of the profit or loss of the group and 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;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- \* 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 group and company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements on pages 5 to 25, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 to 13.

**Respective responsibilities of directors and auditors**

As described on page 3 the group's and 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 group's and 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 group's and company's affairs 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.



SCRUTTON BLAND

Colchester

Chartered Accountants  
and Registered Auditors

23 June 1995

GROUP PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1994

|   | Note | £'000 | £'000   | 1993<br>£'000 |
|---|------|-------|---------|---------------|
| Turnover  | 2    |       | 15,856  | 16,251        |
| Changes in stocks of finished<br>goods and work in progress |      |       | 425     | 12            |
|   |      |       | 16,281  | 16,263        |
| Raw materials and consumables                               |      | 3,585 |         | 2,763         |
| Other external charges                                      |      | 2,415 |         | 3,278         |
|   |      |       | 6,000   | 6,041         |
|   |      |       | 10,281  | 10,222        |
| Staff costs   | 3    | 6,660 |         | 6,486         |
| Depreciation (net)  | 4    | 1,828 |         | 1,760         |
| Other operating charges                                     |      | 828   |         | 914           |
|   |      |       | 9,316   | 9,160         |
| Operating profit  |      |       | 965     | 1,062         |
| Investment income   | 5    |       | 91      | 174           |
| Trading profit  |      |       | 1,056   | 1,236         |
| Interest payable  | 6    |       | 164     | 162           |
| Profit on ordinary activities<br>before taxation            | 2    |       | 892     | 1,074         |
| Taxation on profit on ordinary activities                   | 7    |       | 293     | 379           |
| Profit on ordinary activities<br>after taxation             |      |       | 599     | 695           |
| Minority interest   |      |       | 136     | 184           |
| Dividends   | 8    |       | 463     | 511           |
|   |      |       | 35      | 45            |
| Retained profit for the financial year                      |      |       | 428     | 466           |
| Undistributed profits - brought forward                     |      |       | 3,131   | 2,665         |
| Undistributed profits - carried forward                     |      |       | £ 3,559 | £ 3,131       |
|   |      |       | =====   | =====         |

## Continuing operations

None of the group companies' activities were acquired or discontinued during the above two financial years.

## Recognised gains and losses

The group had no recognised gains and losses other than the profit for the year.

GROUP BALANCE SHEET  
AS AT 31 DECEMBER 1994

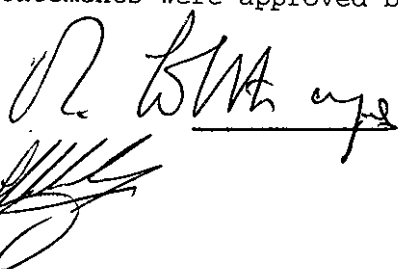
|   | Note | £'000        | £'000          | 1993<br>£'000  |
|---|------|--------------|----------------|----------------|
| Assets employed   |      |              |                |                |
| Fixed assets  |      |              |                |                |
| Tangible assets   | 9    |              | 7,039          | 7,479          |
| Investments   | 10   |              | 3              | 278            |
|   |      |              | <u>7,042</u>   | <u>7,757</u>   |
| Current assets  |      |              |                |                |
| Stock   | 11   | 851          |                | 400            |
| Investment  | 12   | 387          |                | -              |
| Debtors   | 13   | 1,745        |                | 1,771          |
| Cash at bank and in hand                                    |      | 2,381        |                | 2,199          |
|   |      | <u>5,364</u> |                | <u>4,370</u>   |
| Creditors : amounts falling due<br>within one year          | 14   | 5,683        |                | 5,134          |
| Net current (liabilities)                                   |      |              | (319)          | (764)          |
| Total assets less current liabilities                       |      |              | <u>6,723</u>   | <u>6,993</u>   |
| Creditors : amounts falling due<br>after more than one year | 15   |              | 625            | 1,274          |
|   |      |              | <u>6,098</u>   | <u>5,719</u>   |
| Provisions for liabilities and charges                      | 16   |              | 670            | 764            |
|   |      |              | <u>£ 5,428</u> | <u>£ 4,955</u> |
| Financed by :   |      |              | =====          | =====          |
| Capital and reserves  |      |              |                |                |
| Called up share capital                                     | 17   |              | 110            | 110            |
| Capital reserve   | 18   |              | 300            | 300            |
| Profit and loss account                                     |      |              | 3,559          | 3,131          |
| Share premium   |      |              | 89             | 89             |
|   |      |              | <u>4,058</u>   | <u>3,630</u>   |
| Shareholders' funds - equity interest                       | 19   |              | 1,370          | 1,325          |
| Minority interest   |      |              | <u>£ 5,428</u> | <u>£ 4,955</u> |
|   |      |              | =====          | =====          |

The financial statements were approved by the directors on 23 June 1995

D L Colthorpe

J W Moseley

Directors





COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 1994

|   | Note | £'000      | £'000          | 1993<br>£'000  |
|---|------|------------|----------------|----------------|
| Assets employed   |      |            |                |                |
| Fixed assets  |      |            |                |                |
| Tangible assets   | 9    |            | 514            | 298            |
| Investments   | 10   |            | 1,540          | 1,520          |
|   |      |            | <u>2,054</u>   | <u>1,818</u>   |
| Current assets  |      |            |                |                |
| Stock   | 11   | 4          |                | 4              |
| Debtors   | 13   | 569        |                | 545            |
| Cash at bank and in hand                                    |      | 1          |                | 11             |
|   |      | <u>574</u> |                | <u>560</u>     |
| Creditors : amounts falling due<br>within one year          | 14   | 194        |                | 159            |
| Net current assets  |      |            | <u>380</u>     | <u>401</u>     |
| Total assets less current liabilities                       |      |            | 2,434          | 2,219          |
| Creditors : amounts falling due<br>after more than one year | 15   |            | 753            | 729            |
|   |      |            | <u>1,681</u>   | <u>1,490</u>   |
| Provisions for liabilities and charges                      | 16   |            | 85             | 82             |
|   |      |            | <u>£ 1,596</u> | <u>£ 1,408</u> |
| Financed by :   |      |            | =====          | =====          |
| Capital and reserves  |      |            |                |                |
| Called up share capital                                     | 17   |            | 110            | 110            |
| Capital reserve   | 18   |            | 173            | 173            |
| Profit and loss account                                     |      |            | 1,224          | 1,036          |
| Share premium   |      |            | 89             | 89             |
| Shareholders' funds - equity interest                       | 19   |            | <u>£ 1,596</u> | <u>£ 1,408</u> |
|   |      |            | =====          | =====          |

The financial statements were approved by the directors on 23 June 1995

D L Colthorpe

J W Moseley

Directors

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
YEAR ENDED 31 DECEMBER 1994

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

|  | Company       |               | Group         |                  |
|--|---------------|---------------|---------------|------------------|
|  | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000 | 1993<br>£'000    |
| Reported profit on ordinary activities before taxation   | 242           | 166           | 892           | 1,074            |
| Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount | -             | -             | 1             | 1                |
| Historical cost profit on ordinary activities before taxation  | £ 242<br>===  | £ 166<br>===  | £ 893<br>===  | £ 1,075<br>===== |
| Retained profit on an unmodified historical cost basis   | £ 188<br>===  | £ 133<br>===  | £ 429<br>===  | £ 467<br>===     |

CASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 1994

|   | Note | £'000   | £'000   | 1993<br>£'000 |
|---|------|---------|---------|---------------|
| <b>Operating activities</b>   |      |         |         |               |
| Cash received from customers  |      | 15,978  |         | 15,194        |
| Cash payments to suppliers  |      | (5,679) |         | (6,102)       |
| Cash paid to and on behalf of employees                               |      | (6,693) |         | (6,342)       |
| Other cash payments   |      | (873)   |         | (923)         |
| Net cash inflow from operating activities                             | 1    |         | 2,733   | 1,827         |
| <b>Returns of investments and servicing of finance</b>                |      |         |         |               |
| Interest received   |      | 91      |         | 174           |
| Interest paid   |      | (132)   |         | (155)         |
| Interest element of finance lease rental payments                     |      | (34)    |         | (33)          |
| Dividends paid  |      | (45)    |         | (209)         |
| Dividends paid to minority interests                                  |      | (71)    |         | (112)         |
| Net cash outflow from returns on investments and servicing of finance |      |         | (191)   | (335)         |
| <b>Taxation</b>   |      |         |         |               |
| Value added tax   |      | 29      |         | 181           |
| Corporation tax paid  |      | (344)   |         | (584)         |
| Tax paid  |      |         | (315)   | (403)         |
| <b>Investing activities</b>   |      |         |         |               |
| Purchase of current asset investment                                  |      | (112)   |         | -             |
| Purchase of tangible fixed assets                                     |      | (384)   |         | (572)         |
| Purchase of minority interest   |      | (20)    |         | -             |
| Sale of tangible fixed assets   |      | 199     |         | 1,107         |
| Net cash outflow/inflow from investing activities                     |      |         | (317)   | 535           |
| Net cash inflow before financing                                      |      |         | £ 1,910 | £ 1,624       |
|   |      |         | =====   | =====         |
| <b>Financing</b>  |      |         |         |               |
| Other loans   |      | 56      |         | -             |
| Repayment of loans  |      | 1,367   |         | 2,096         |
| Capital element of finance lease rental payments                      |      | 301     |         | 449           |
| Net cash outflow from financing                                       | 4, 5 |         | 1,724   | 2,545         |
| Increase/(decrease) in cash and cash equivalents                      | 2, 3 |         | 186     | (921)         |
|   |      |         | £ 1,910 | £ 1,624       |
|   |      |         | =====   | =====         |

NOTES TO THE CASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 1994

1 Reconciliation of operating profit to  
net cash inflow from operating activities

|  | 1994<br>£'000    | 1993<br>£'000    |
|--|------------------|------------------|
| Operating profit                                   | 965              | 1,062            |
| Depreciation (net)                                 | 1,828            | 1,760            |
| (Increase)/decrease in stocks and work in progress | (451)            | 15               |
| Decrease/(increase) in debtors                     | 105              | (261)            |
| Increase/(decrease) in creditors                   | 286              | (749)            |
| Net cash inflow from operating activities          | £ 2,733<br>===== | £ 1,827<br>===== |

2 Analysis of changes in cash and cash  
equivalents during the year

|                             | £'000            | £'000            |
|-----------------------------|------------------|------------------|
| Balance at 1 January 1994   | 2,188            | 3,109            |
| Net cash inflow/(outflow)   | 186              | (921)            |
| Balance at 31 December 1994 | £ 2,374<br>===== | £ 2,188<br>===== |

3 Analysis of the balances of cash and cash  
equivalents as shown in the balance sheet

|                 | 1994<br>£'000    | 1993<br>£'000    | Change<br>in year<br>£'000 | 1993<br>£'000    | 1992<br>£'000    | Change<br>in year<br>£'000 |
|-----------------|------------------|------------------|----------------------------|------------------|------------------|----------------------------|
| Cash at bank    |                  |                  |                            |                  |                  |                            |
| and in hand     | 2,381            | 2,199            | 182                        | 2,199            | 3,134            | (935)                      |
| Bank overdrafts | (7)              | (11)             | 4                          | (11)             | (25)             | 14                         |
|                 | £ 2,374<br>===== | £ 2,188<br>===== | £ 186<br>===               | £ 2,188<br>===== | £ 3,109<br>===== | £ (921)<br>===             |

NOTES TO THE CASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 1994

4 Analysis of changes in financing during the year

|   | 1994                          |   | 1993                          |   |
|---|-------------------------------|---|-------------------------------|---|
|   | Minority<br>interest<br>£'000 | Loans and<br>finance<br>lease<br>obligations<br>£'000 | Minority<br>interest<br>£'000 | Loans and<br>finance<br>lease<br>obligations<br>£'000 |
| Balance at 1 January 1994   | 1,325                         | 2,579   | 1,253                         | 1,813   |
| Cash flows from financing   | (20)                          | (1,668)   | -                             | (2,545)   |
| Inception of finance lease<br>contracts                               | -                             | -   | -                             | 910   |
| Inception of hire purchase<br>agreements                              | -                             | 1,151   | -                             | 2,401   |
| Cash flows from returns on<br>investments and servicing<br>of finance | (71)                          | -   | (112)                         | -   |
| Profit attributable to<br>minority interests                          | 136                           | -   | 184                           | -   |
| Balance at 31 December 1994   | £ 1,370                       | £ 2,062   | £ 1,325                       | £ 2,579   |
|   | =====                         | =====   | =====                         | =====   |

5 Major non-cash transactions

During the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £ - (1993 : £910,000) and hire purchase agreements in respect of assets with a total capital value at the inception of the agreement of £1,151,000 (1993 : £2,401,000).

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

1 Accounting policies

**Basis of accounting**

These financial statements consist of consolidated information relating to the company and its subsidiary companies. No profit and loss account is presented by the company, as permitted by the Companies Act 1985.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

**Turnover**

Turnover is calculated on the basis of construction work performed during the year together with the invoiced value of the sales and services of other trading activities, net of value added tax.

**Depreciation of tangible fixed assets**

No depreciation is provided on freehold land. Depreciation of other fixed assets is provided as follows :

**Freehold buildings**

On a straight line basis over their estimated remaining economic lives with a maximum of 50 years.

**Plant and machinery**

On reducing balance or straight line methods at rates varying from 10 per cent to 50 per cent so as to write off the assets over their anticipated useful lives.

**Investments**

Investments in participating interests and other fixed asset investments are included at the lower of cost and net realisable value.

**Stocks and work in progress**

Stock is valued at the lower of cost and net realisable value in the course of normal trading. Work in progress is valued at cost plus profit estimated to have been earned at the balance sheet date, less foreseeable losses up to completion of the contracts and applicable payments on account. Cost includes appropriate overheads.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

1 Accounting policies - (continued)

Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet with an equivalent liability included under creditors.

Assets held under finance leases and hire purchase contracts are depreciated over their useful lives. The interest element of the amounts payable is charged as an expense to the Profit and Loss Account and the capital element reduces the liability in the Balance Sheet.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Pension scheme

The group has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to the Profit and Loss Account as incurred.

Taxation

The charge for taxation is based on the profit for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation, to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future.

2 Turnover and profit before taxation on ordinary  
activities carried on in the United Kingdom

| Group<br>turnover |          | Group profit<br>before taxation |         |
|-------------------|----------|---------------------------------|---------|
| 1994              | 1993     | 1994                            | 1993    |
| £'000             | £'000    | £'000                           | £'000   |
| £ 15,856          | £ 16,251 | £ 892                           | £ 1,074 |
| =====             | =====    | ===                             | =====   |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

3 Directors and employees

|   | Group          |                |
|---|----------------|----------------|
|   | 1994<br>Number | 1993<br>Number |
| The average weekly number of employees employed<br>by the group during the year was | 285            | 280            |
|   | ===            | ===            |

|                                     | Group   |         |
|-------------------------------------|---------|---------|
|                                     | £'000   | £'000   |
| Staff costs include the following : |         |         |
| Wages and salaries                  | 5,910   | 5,684   |
| Social security costs               | 521     | 516     |
| Other pension costs                 | 229     | 286     |
|                                     | <hr/>   | <hr/>   |
|                                     | £ 6,660 | £ 6,486 |
|                                     | =====   | =====   |

Directors' remuneration

The emoluments of the directors were as follows :

|                                 |      |       |
|---------------------------------|------|-------|
| For services as directors       | £ 58 | £ 154 |
|                                 | ==   | ==    |
| Compensation paid to a director | £ -  | £ 93  |
|                                 | ==   | ==    |

The individual emoluments, excluding pension contributions and compensation for loss of office, of all the directors who served during the year fell into the following brackets :

|                   | Number | Number |
|-------------------|--------|--------|
| £0 - £ 5,000      | 1      | 1      |
| £30,001 - £35,000 | -      | 1      |
| £40,000 - £45,001 | 1      | -      |
| £85,001 - £90,000 | -      | 1      |

The current chairman's emoluments were nil. The highest paid director earned £40,047 (1993 : £89,737).



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

4 Operating profit on ordinary activities before  
taxation is stated after charging/(crediting) :

|   | Group |       |
|---|-------|-------|
|   | 1994  | 1993  |
|   | £'000 | £'000 |
| Profit on disposal of fixed assets                      | (62)  | (286) |
| Depreciation of and amounts written off<br>fixed assets | 1,890 | 2,046 |
| Directors' emoluments (note 3)                          | 58    | 154   |
| Auditors' remuneration                                  | 18    | 21    |
| Hire of plant and machinery                             | 1,020 | 1,276 |
|   | ===== | ===== |

The charge for depreciation includes £1,011,000 (1993 : £1,033,000) in respect of assets acquired under hire purchase contracts and finance leases.

5 Investment income

|                           | £'000 | £'000 |
|---------------------------|-------|-------|
| Bank interest receivable  | 91    | 171   |
| Other interest receivable | -     | 3     |
|                           | £ 91  | £ 174 |
|                           | ==    | ==    |

6 Interest payable

|  | £'000 | £'000 |
|--|-------|-------|
| Bank loans and overdrafts and other loans<br>repayable within 5 years - by instalments | 163   | 158   |
| - not by instalments   | 1     | 4     |
|  | £ 164 | £ 162 |
|  | ==    | ==    |

7 Taxation on profit on ordinary activities

|                   | £'000 | £'000 |
|-------------------|-------|-------|
| Deferred taxation | (95)  | (1)   |
| Corporation tax   | 388   | 380   |
|                   | £ 293 | £ 379 |
|                   | ==    | ==    |

8 Dividends

|                                      | £'000 | £'000 |
|--------------------------------------|-------|-------|
| Ordinary shares                      |       |       |
| Proposed 3.0p per 10p ordinary share | £ 35  | £ 45  |
|                                      | ==    | ==    |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

9 Tangible fixed assets

|                          | Freehold<br>land and<br>buildings<br>£'000 | Plant and<br>machinery<br>£'000 | Total<br>£'000 |
|--------------------------|--|---------------------------------|----------------|
| <b>The Group</b>         |  |                                 |                |
| <b>Cost or valuation</b> |  |                                 |                |
| At 1 January 1994        | 651  | 19,643                          | 20,294         |
| Additions at cost        | 149  | 1,427                           | 1,576          |
|                          | <hr/>                                      | <hr/>                           | <hr/>          |
|                          | 800  | 21,070                          | 21,870         |
| Disposals at cost        | -  | (812)                           | (812)          |
|                          | <hr/>                                      | <hr/>                           | <hr/>          |
| At 31 December 1994      | 800  | 20,258                          | 21,058         |
|                          | <hr/>                                      | <hr/>                           | <hr/>          |
| <b>Depreciation</b>      |  |                                 |                |
| At 1 January 1994        | 96   | 12,719                          | 12,815         |
| On disposals             | -  | (686)                           | (686)          |
| Charge for the year      | 13   | 1,877                           | 1,890          |
|                          | <hr/>                                      | <hr/>                           | <hr/>          |
| At 31 December 1994      | 109  | 13,910                          | 14,019         |
|                          | <hr/>                                      | <hr/>                           | <hr/>          |
| <b>Net book value</b>    |  |                                 |                |
| At 31 December 1994      | £ 691                                      | £ 6,348                         | £ 7,039        |
|                          | ===  | =====                           | =====          |
| At 31 December 1993      | £ 555                                      | £ 6,924                         | £ 7,479        |
|                          | ===  | =====                           | =====          |

Included above are the following amounts relating to assets acquired under hire purchase contracts and finance leases.

|                  | Plant and machinery |         |
|------------------|---------------------|---------|
|                  | 1994                | 1993    |
| Net book value : |                     |         |
| Hire purchase    | £ 3,094             | £ 2,766 |
|                  | =====               | =====   |
| Finance lease    | £ 553               | £ 890   |
|                  | ===                 | ===     |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

9 Tangible fixed assets - (continued)

|   | 1994<br>£'000 | 1993<br>£'000 |
|---|---------------|---------------|
| Group land and buildings  |               |               |
| Cost or valuation at 31 December 1994<br>was made up as follows :                                       |               |               |
| Valuation : 1973  | 55            | 55            |
| 1983  | 45            | 45            |
| Cost  | 700           | 551           |
|   | <u>      </u> | <u>      </u> |
|   | £ 800         | £ 651         |
|   | ===           | ===           |
| The total value of land and buildings<br>not depreciated  | £ 331         | £ 182         |
|   | ===           | ===           |
| If land and buildings had not been revalued they<br>would have been included in the following amounts : |               |               |
| Historical cost   | £ 714         | £ 565         |
|   | ===           | ===           |
| Aggregate depreciation  | £ 79          | £ 69          |
|   | ==            | ==            |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

9 Tangible fixed assets - (continued)

|                          | Freehold<br>land and<br>buildings<br>£'000 | Plant and<br>machinery<br>etc<br>£'000 | Total<br>£'000 |
|--------------------------|--|--|----------------|
| <b>The Company</b>       |  |  |                |
| <b>Cost or valuation</b> |  |  |                |
| At 1 January 1994        | 136  | 511                                    | 647            |
| Additions at cost        | 149  | 151                                    | 300            |
| Disposals at cost        | -  | (54)                                   | (54)           |
|                          | —  | —                                      | —              |
| At 31 December 1994      | 285  | 608                                    | 893            |
|                          | —  | —                                      | —              |
| <b>Depreciation</b>      |  |  |                |
| At 1 January 1994        | 10   | 339                                    | 349            |
| On disposals             | -  | (24)                                   | (24)           |
| Charge for the year      | 2  | 52                                     | 54             |
|                          | —  | —                                      | —              |
| At 31 December 1994      | 12   | 367                                    | 379            |
|                          | —  | —                                      | —              |
| <b>Net book value</b>    |  |  |                |
| At 31 December 1994      | £ 273                                      | £ 241                                  | £ 514          |
|                          | ===  | ===                                    | ===            |
| At 31 December 1993      | £ 126                                      | £ 172                                  | £ 298          |
|                          | ===  | ===                                    | ===            |

Included above are the following amounts relating to assets acquired under hire purchase contracts.

|                | Plant and machinery |       |
|----------------|---------------------|-------|
|                | 1994                | 1993  |
|                | £'000               | £'000 |
| Net book value | £ 143               | £ 78  |
|                | ===                 | ==    |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

9 Tangible fixed assets - (continued)

|  | 1994<br>£'000 | 1993<br>£'000 |
|--|---------------|---------------|
| Company land and buildings   |               |               |
| Cost or valuation at 31 December 1994<br>was made up as follows :  |               |               |
| Valuation : 1983   | 45            | 45            |
| Cost   | 240           | 91            |
|  | <u>£ 285</u>  | <u>£ 136</u>  |
|  | ===           | ===           |
| The total value of land and buildings<br>not depreciated   | £ 265         | £ 116         |
|  | ===           | ===           |
| If land and buildings had not been revalued<br>they would have been included in the following<br>amounts : |               |               |
| Historical cost  | £ 254         | £ 105         |
|  | ===           | ===           |
| Aggregate depreciation   | £ 1           | £ 1           |
|  | ==            | ==            |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

10 Fixed asset investments

(a) Listed on recognised stock exchange :

|  | Company       |               | Group         |               |
|--|---------------|---------------|---------------|---------------|
|  | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000 | 1993<br>£'000 |
| Cost at 1 January and<br>31 December 1994    | 107           | 107           | 107           | 107           |
| Provision for losses in<br>prior years       | 104           | 104           | 104           | 104           |
| Book and market value<br>at 31 December 1994 | 3             | 3             | 3             | 3             |

(b) Land

|                            |   |   |       |     |
|----------------------------|---|---|-------|-----|
| Mineral deposits :         |   |   |       |     |
| Cost at 1 January 1994     | - | - | 275   | 275 |
| Transfer to current assets | - | - | (275) | -   |
| Cost at 31 December 1994   | - | - | -     | 275 |

(c) Shares in subsidiary company

|   |         |         |     |       |
|---|---------|---------|-----|-------|
| Cost at 1 January 1994                  | 1,517   | 1,517   | -   | -     |
| Additions                               | 20      | -       | -   | -     |
| Cost at 31 December 1994                | 1,537   | 1,517   | -   | -     |
| Total book value at<br>31 December 1994 | £ 1,540 | £ 1,520 | £ 3 | £ 278 |
|   | =====   | =====   | === | ===   |

For investments in subsidiary companies see note 22.

The mineral deposits have been transferred to current assets as the land is now being developed for sale.

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

## 11 Stocks and work in progress

|                               | Company    |            | Group        |              |
|-------------------------------|------------|------------|--------------|--------------|
|                               | 1994       | 1993       | 1994         | 1993         |
|                               | £'000      | £'000      | £'000        | £'000        |
| Contract work in progress     | -          | -          | 575          | 150          |
| Raw materials and consumables | 4          | 4          | 276          | 250          |
|                               | <u>£ 4</u> | <u>£ 4</u> | <u>£ 851</u> | <u>£ 400</u> |
|                               | ==         | ==         | ===          | ===          |

There is no material difference between the book value of stocks and replacement cost.

## 12 Current asset investments

|                                      | Company    |            | Group        |            |
|--------------------------------------|------------|------------|--------------|------------|
|                                      | 1994       | 1993       | 1994         | 1993       |
|                                      | £'000      | £'000      | £'000        | £'000      |
| Land                                 |            |            |              |            |
| Mineral deposits :                   |            |            |              |            |
| Transfer from fixed asset investment | -          | -          | 275          | -          |
| Addition                             | -          | -          | 112          | -          |
| Cost at 31 December 1994             | <u>£ -</u> | <u>£ -</u> | <u>£ 387</u> | <u>£ -</u> |
|                                      | ===        | ===        | ===          | ===        |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

## 13 Debtors

|                                       | Company       |               | Group          |                |
|---------------------------------------|---------------|---------------|----------------|----------------|
|                                       | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000  | 1993<br>£'000  |
| Amounts falling due within one year : |               |               |                |                |
| Trade debtors                         | 146           | 115           | 1,613          | 1,660          |
| Prepayments and accrued income        | 6             | 17            | 132            | 71             |
| Dividend receivable                   | 169           | 210           | -              | -              |
| Other debtors                         | -             | -             | -              | 40             |
| Amounts owed by subsidiary company    | 248           | 203           | -              | -              |
|                                       | <u>£ 569</u>  | <u>£ 545</u>  | <u>£ 1,745</u> | <u>£ 1,771</u> |
|                                       | ===           | ===           | =====          | =====          |

## 14 Creditors: amounts falling due within one year

|  | Company       |               | Group          |                |
|--|---------------|---------------|----------------|----------------|
|  | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000  | 1993<br>£'000  |
| Trade creditors                            | 27            | 23            | 2,915          | 2,501          |
| Hire purchase and finance leases           | 50            | 33            | 1,438          | 1,334          |
| Corporation tax                            | 6             | -             | 300            | 256            |
| Other taxation and social security payable | 20            | 7             | 705            | 696            |
| Other creditors                            | -             | -             | 46             | 24             |
| Accruals and deferred income               | 56            | 51            | 237            | 267            |
| Bank overdraft                             | -             | -             | 7              | 11             |
| Proposed dividend                          | 35            | 45            | 35             | 45             |
|  | <u>£ 194</u>  | <u>£ 159</u>  | <u>£ 5,683</u> | <u>£ 5,134</u> |
|  | ===           | ===           | =====          | =====          |

## 15 Creditors: amounts falling due after more than one year

|                                      | Company       |               | Group         |                |
|--------------------------------------|---------------|---------------|---------------|----------------|
|                                      | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000 | 1993<br>£'000  |
| Due between second and fifth years : |               |               |               |                |
| Hire purchase and finance leases     | 53            | 29            | 624           | 1,272          |
| Amounts owed to subsidiary company   | 700           | 700           | -             | -              |
| Accruals and deferred income         | -             | -             | 1             | 2              |
|                                      | <u>£ 753</u>  | <u>£ 729</u>  | <u>£ 625</u>  | <u>£ 1,274</u> |
|                                      | ===           | ===           | ===           | =====          |



NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

16 Provisions for liabilities and charges

Provision for re-instatement and doublehandling

The planning permission granted to the company requires that the quarry be reinstated to its previous condition once the reserves of stone are exhausted. The directors also consider that a provision for doublehandling i.e. the costs of moving overburden and spoil which increase with the years as the quarry's reserves are depleted, should be made. During the year, the provision was not increased :

|   | Company       |               | Group         |               |
|---|---------------|---------------|---------------|---------------|
|   | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000 | 1993<br>£'000 |
| At 1 January and 31 December 1994   | £ 51<br>==    | £ 51<br>==    | £ 51<br>==    | £ 51<br>==    |
| Deferred taxation account   |               |               |               |               |
| At 1 January 1994   | 31            | 31            | 713           | 714           |
| Profit and loss account   |               |               |               |               |
| - charge/(credit) for year  | 3             | -             | (94)          | (1)           |
| At 31 December 1994   | £ 34<br>==    | £ 31<br>==    | £ 619<br>===  | £ 713<br>===  |
| Total provisions for liabilities and charges included in the financial statements |               |               |               |               |
|   | £ 85<br>==    | £ 82<br>==    | £ 670<br>===  | £ 764<br>===  |
| Potential amounts of deferred tax are as follows :                                |               |               |               |               |
| Provided above  |               |               |               |               |
| Plant and other timing differences  | 13            | 13            | 601           | 695           |
| Capital gains rolled over   | 18            | 18            | 18            | 18            |
|   | 31            | 31            | 619           | 713           |
| Not provided above  |               |               |               |               |
| Revaluations of properties included with fixed assets                             | 9             | 9             | 21            | 21            |
| Capital gains rolled over   | -             | -             | 10            | 10            |
|   | £ 40<br>==    | £ 40<br>==    | £ 650<br>===  | £ 744<br>===  |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

## 17 Called up share capital

|                                       | 1994<br>£'000 | 1993<br>£'000 |
|---------------------------------------|---------------|---------------|
| Authorised :                          |               |               |
| 5,000,000 ordinary shares of 10p each | £ 500<br>===  | £ 500<br>===  |
| Allotted, issued and fully paid :     |               |               |
| 1,099,000 ordinary shares of 10p each | £ 110<br>===  | £ 110<br>===  |

## 18 Capital reserves

|   | Company       |               | Group         |               |
|---|---------------|---------------|---------------|---------------|
|   | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000 | 1993<br>£'000 |
| Surplus arising from revaluation<br>of freehold land and buildings<br>in 1983 | 31            | 31            | 31            | 31            |
| Arising from the acquisition of a<br>former subsidiary                        | 88            | 88            | 88            | 88            |
| Realised after tax profit on sale<br>of land in November 1983                 | 54            | 54            | 54            | 54            |
| Reserve arising on consolidation  | -             | -             | 127           | 127           |
|   | £ 173<br>===  | £ 173<br>===  | £ 300<br>===  | £ 300<br>===  |

## 19 Reconciliation of movements on shareholders' funds

|   | Company          |                  | Group            |                  |
|---|------------------|------------------|------------------|------------------|
|   | 1994<br>£'000    | 1993<br>£'000    | 1994<br>£'000    | 1993<br>£'000    |
| Profit for the financial year<br>after taxation | 223              | 178              | 463              | 511              |
| Dividends                                       | (35)             | (45)             | (35)             | (45)             |
|   | 188              | 133              | 428              | 466              |
| Shareholders' funds at<br>1 January 1994        | 1,408            | 1,275            | 3,630            | 3,164            |
| Shareholders' funds at<br>31 December 1994      | £ 1,596<br>===== | £ 1,408<br>===== | £ 4,058<br>===== | £ 3,630<br>===== |

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1994

20 Commitments

Pension commitments

The group operates defined contribution pension schemes. The assets of the schemes are held separately in independently administered funds. The pension cost charge for the year was £228,267 (1993 : £286,270). Contributions prepaid at 31 December 1994 of £2,117 (1993 : £2,118) are included in prepayments and outstanding contributions of £6,000 (1993 : £4,000) are included in accruals.

Capital commitments

At 31 December there were capital commitments as follows :

|                                   | Company       |               | Group            |               |
|-----------------------------------|---------------|---------------|------------------|---------------|
|                                   | 1994<br>£'000 | 1993<br>£'000 | 1994<br>£'000    | 1993<br>£'000 |
| Authorised and contracted for     | £ -<br>===    | £ -<br>===    | £ 872<br>===     | £ 966<br>===  |
| Authorised but not contracted for | £ -<br>===    | £ -<br>===    | £ 1,004<br>===== | £ -<br>===    |

21 Contingencies

The company has provided guarantees in respect of contracts undertaken by the subsidiary company, and in respect of finance facilities.

The subsidiary company has guaranteed banking facilities for one of its subsidiary companies.

The group has given insured performance bonds in the normal course of business. In the opinion of the directors no loss will arise in connection with these undertakings.

22 Subsidiary company

The share capital of the following subsidiary company is owned by the company :

C A Blackwell (Contracts) Limited  
169,058 £1 ordinary shares (representing 75.4% ownership)

Registered in England and Wales  
Engineering and earth moving contractors