

# REGISTRAR

Registered number  
664770

**PREMIER LIME AND STONE COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 1998**

Scrutton Bland  
Chartered Accountants  
Colchester



# **PREMIER LIME AND STONE COMPANY LIMITED**

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**PREMIER LIME AND STONE COMPANY LIMITED**

**DIRECTORS, OFFICERS AND ADVISERS**

<b>Directors</b>	D L Colthorpe J W Moseley R R Stimpson
<b>Secretary</b>	K D Gooday
<b>Registered Office</b>	18 Sir Isaac's Walk Colchester CO1 1JL
<b>Registered Number</b>	664770
<b>Auditors</b>	Scrutton Bland 18 Sir Isaac's Walk Colchester CO1 1JL
<b>Bankers</b>	Barclays Bank plc 1 Bank Street Braintree Essex CM7 7UQ
<b>Solicitors</b>	Greenwoods 30 Priestgate Peterborough PE1 1JE

## **PREMIER LIME AND STONE COMPANY LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the consolidated financial statements of the group for the year ended 31 December 1998.

#### **Principal activity, review of business and future developments**

The principal activity of the group in the year under review was that of civil engineering and earthmoving contractors.

The group continues to look for opportunities to develop a broad based civil engineering business and specialist operations in the construction industry.

The outlook for 1999 is reasonable given the current level of work in hand and prospects for future work.

The company operates as quarrying for lime, stone and aggregates and related trades.

#### **Results and dividends**

The group profit for the year, after taxation, amounted to £1,523,000 (1997 : £1,163,000).

The directors recommend the payment of a final dividend of £275,000 (1997 : £132,000).

#### **Fixed assets**

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 £549,000. Any capital gains tax arising should the property be sold for market value is unlikely to be significant due to the availability of indexation.

#### **Year 2000**

The directors recognise that systems operating within the company, and systems operated by customers, suppliers and other parties with whom the company has a business relationship, may experience problems arising from the date change at the millennium.

The directors are currently assessing the risks to the company, and will be taking appropriate action to deal with the key risks which are identified. It is not anticipated at this stage that any costs will arise, although the complexity of the problem means that no guarantee can be given that all potential risks will be eliminated.

# **PREMIER LIME AND STONE COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **Directors**

The directors, who served the company throughout the year and their beneficial interests in the company's issued ordinary share capital, were as follows:

	1997	
D L Colthorpe (Chairman)	-	-
J W Moseley	10,000	10,000
R R Stimpson	-	-

R R Stimpson owns 68,592 ordinary shares in C A Blackwell (Contracts) Limited, the company's subsidiary company.

### **Directors responsibilities for the 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 company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgments 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 group 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 of the group 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **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.

# **PREMIER LIME AND STONE COMPANY LIMITED**

## **DIRECTORS' REPORT**

### **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.

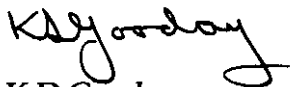
### **Political and charitable contributions**

No contributions were made by the group during the year for political purposes. Charitable donations of £1,483 were made.

### **Auditors**

A resolution to re-appoint Scrutton Bland as auditors to the company will be put to the members at the Annual General Meeting.

Signed by order of the board



K D Gooday

Secretary

Approved by the board on 25<sup>th</sup> June 1999

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PREMIER LIME AND STONE COMPANY LIMITED**

We have audited the financial statements on pages 6 to 29, 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 13 and 14.

**Respective responsibilities of directors and auditors**

As described on page 3 the 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 judgments 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 affairs of the company and of the group as at 31 December 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Scrutton Bland*

**SCRUTTON BLAND**  
Chartered Accountants  
and Registered Auditors

Colchester

*1 July 1999*

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1998**

	Notes	£'000	1997 £'000
Turnover : group and share of joint ventures		26,639	16,720
Less : Share of joint ventures		1,379	961
<b>Group turnover</b>	2	<b>25,260</b>	<b>15,759</b>
Changes in stocks of finished goods and work in progress		393	42
		<b>25,653</b>	<b>15,801</b>
Raw materials and consumables		6,185	3,122
Other external charges		7,924	3,631
		<b>14,109</b>	<b>6,753</b>
		<b>11,544</b>	<b>9,048</b>
Depreciation (net)	3	1,670	1,102
Staff costs	4	7,217	5,688
Other operating charges		1,025	910
		<b>9,912</b>	<b>7,700</b>
<b>Group operating profit</b>	3	<b>1,632</b>	<b>1,348</b>
Share of operating profit in joint ventures		177	146
		<b>1,809</b>	<b>1,494</b>
<b>Other interest receivable and similar income</b>			
Group	6	366	301
Joint venture		13	1
		<b>379</b>	<b>302</b>
<b>Interest payable and similar charges</b>			
Group	7	89	138
Joint venture		17	10
		<b>106</b>	<b>148</b>
<b>Profit on ordinary activities before taxation carried forward</b>	2	<b>2,082</b>	<b>1,648</b>



**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 DECEMBER 1998**

		<b>£'000</b>	<b>1997 £'000</b>
<b>Profit on ordinary activities before taxation brought forward</b>	2	<b>2,082</b>	<b>1,648</b>
Tax on profit on ordinary activities	8	<b>559</b>	<b>485</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>1,523</b>	<b>1,163</b>
Minority interest		<b>344</b>	<b>283</b>
		<hr/>	<hr/>
		<b>1,179</b>	<b>880</b>
Dividends	9	<b>275</b>	<b>132</b>
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>		<b>904</b>	<b>748</b>
Transfer from capital reserve		<b>54</b>	<b>-</b>
		<hr/>	<hr/>
		<b>958</b>	<b>748</b>
<b>Undistributed profits - brought forward</b>		<b>6,448</b>	<b>5,700</b>
		<hr/>	<hr/>
<b>Undistributed profits - carried forward</b>		<b>7,406</b>	<b>6,448</b>
		<hr/>	<hr/>

**CONTINUING OPERATIONS**

None of the group companies' activities were acquired or discontinued during the above two financial years with the exception of the activities of the joint venture company which commenced in the previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The group has no recognised gains or losses other than the profit for the above two financial years and an increase in capital reserve of £8,000 arising from the acquisition of further shares in its subsidiary undertaking (see note 21).

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
YEAR ENDED 31 DECEMBER 1998**

	The group		The company	
		1997		1997
	£'000	£'000	£'000	£'000
<b>Reported profit on ordinary activities before taxation</b>	<b>2,082</b>	<b>1,648</b>	<b>480</b>	<b>236</b>
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	1	-	-
<b>Historical cost profit on ordinary activities before taxation</b>	<b>2,082</b>	<b>1,649</b>	<b>480</b>	<b>236</b>
<b>Retained profit on an unmodified historical cost basis</b>	<b>904</b>	<b>748</b>	<b>211</b>	<b>93</b>

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 1998**

	Notes	£'000	1997 £'000
<b>Fixed assets</b>			
Tangible assets	10	<u>6,188</u>	<u>7,445</u>
Investments in joint ventures :	11		
Share of gross assets		875	742
Share of gross liabilities		<u>849</u>	<u>726</u>
		<u>26</u>	<u>16</u>
		<u>6,214</u>	<u>7,461</u>
<b>Current assets</b>			
Stock	12	1,149	702
Investment	13	533	532
Debtors	14	3,709	4,892
Cash at bank and in hand		<u>6,439</u>	<u>2,680</u>
		<u>11,830</u>	<u>8,806</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>7,060</u>	<u>5,728</u>
<b>Net current assets</b>		<u>4,770</u>	<u>3,078</u>
<b>Total assets less current liabilities</b>		<u>10,984</u>	<u>10,539</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>252</u>	<u>708</u>
		<u>10,732</u>	<u>9,831</u>
<b>Provisions for liabilities and charges</b>	17	<u>536</u>	<u>763</u>
		<u>10,196</u>	<u>9,068</u>

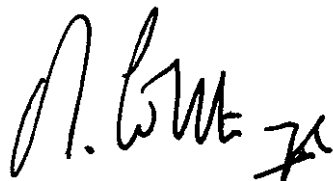
**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 1998**

		£'000	1997 £'000
<b>Capital and reserves</b>			
Called up share capital	18	110	110
Revaluation reserve	19	31	31
Capital reserve	20	227	273
Profit and loss account		7,406	6,448
Share premium		89	89
		<hr/>	<hr/>
<b>Shareholders' funds - equity interest</b>	21	7,863	6,951
Minority interest		2,333	2,117
		<hr/>	<hr/>
		<b>10,196</b>	<b>9,068</b>
		<hr/>	<hr/>

The financial statements were approved by the directors on 25th June 1999

D L Colthorpe



J W Moseley



Directors

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 1998**

	Notes	£'000	1997 £'000
<b>Fixed assets</b>			
Tangible assets	10	498	589
Investments	11	1,596	1,548
		<u>2,094</u>	<u>2,137</u>
<b>Current assets</b>			
Stock	12	13	14
Debtors	14	683	401
Cash at bank and in hand		13	11
		<u>709</u>	<u>426</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>354</u>	<u>233</u>
<b>Net current assets</b>		<u>355</u>	<u>193</u>
<b>Total assets less current liabilities</b>		<u>2,449</u>	<u>2,330</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>44</u>	<u>80</u>
		<u>2,405</u>	<u>2,250</u>
<b>Provisions for liabilities and charges</b>	17	<u>31</u>	<u>87</u>
		<u>2,374</u>	<u>2,163</u>
<b>Capital and reserves</b>			
Called up share capital	18	110	110
Revaluation reserve	19	31	31
Capital reserve	20	88	142
Profit and loss account		2,056	1,791
Share premium		89	89
<b>Shareholders' funds - equity interest</b>	21	<u>2,374</u>	<u>2,163</u>

The financial statements were approved by the directors on 25th June 1999

D L Colthorpe

J W Moseley

Directors

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 1998**

	Notes	£'000	£'000	1997 £'000
<b>Net cash inflow/(outflow) from operating activities</b>	25	5,335		(691)
Dividends from joint ventures		98		-
<b>Returns on investments and servicing of finance</b>				
Interest received		366	301	
Interest element of hire purchase contracts and finance leases		(89)	(138)	
			277	163
<b>Taxation</b>				
Corporation tax paid		(400)		(1,244)
<b>Capital expenditure and financial investments</b>				
Quarry reinstatement		(11)	-	
Repayment of loan advanced to joint venture		22	-	
Loan to joint venture		-	(68)	
Purchase of current asset investment		(1)	(9)	
Purchase of tangible fixed assets		(438)	(434)	
Sale of tangible fixed assets		166	281	
			(262)	(230)
<b>Acquisitions and disposals</b>				
Purchase of interest in group company		(48)		-
Purchase of interest in joint venture		-		(7)
<b>Equity dividends paid</b>		(204)		(302)
<b>Net cash inflow/(outflow) before financing</b>		4,796		(2,311)
<b>Financing</b>				
Capital element of hire purchase contracts and finance lease payments	26	(880)		(1,341)
<b>Increase/(decrease) in cash</b>	26	3,916		(3,652)

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**1 ACCOUNTING POLICIES**

***Basis of consolidation and accounting***

The consolidated financial statements incorporate the financial statements of Premier Lime and Stone Company Limited, its subsidiary undertakings and the group's share of profits and reserves of its joint venture for the year ended 31 December 1998.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

***Goodwill arising on consolidation***

In previous years goodwill arising on consolidation was written off to reserves in the year of acquisition.

***Turnover***

Turnover is calculated on the basis of construction work performed during the year on long term contracts together with the invoiced value of the sales and services of other trading activities, net of Value Added Tax.

***Tangible fixed assets***

Freehold land is depreciated to represent the use of reserves. 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.

***Leasehold land and buildings***

On a straight line basis over the remaining leasehold tenure with a maximum of 50 years.

***Plant and machinery***

Using the reducing balance or straight line methods at rates varying from 10% to 50% so as to write off the assets over their anticipated useful lives with regard to hours of utilisation.

***Investments***

Investments in subsidiary undertakings and the joint venture company are included at the lower of cost and net realisable value in the individual company's financial statements.

Investments in the joint venture company are included as the company's share of capital and reserves in the consolidated financial statements.

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**1 ACCOUNTING POLICIES - (continued)**

*Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value in the course of normal trading. Long term contract 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. Retentions are included in work in progress and part of these may be due after more than one year.

*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. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise.

*Leases and hire purchase*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet with an equivalent liability included under creditors. An asset held under a finance lease is depreciated over the shorter of the lease term and its useful life, whilst an asset acquired under a hire purchase contract is depreciated over its useful life. The interest element of the amount payable is charged 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 costs*

Contributions in respect of the group's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

**2 TURNOVER**

	Group turnover		Group profit before taxation	
		1997		1997
	£'000	£'000	£'000	£'000
United Kingdom	25,260	15,759	2,082	1,648



**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**3 GROUP OPERATING PROFIT**

The operating profit is stated after charging/(crediting) :

	£'000	1997 £'000
Profit on disposal of tangible fixed assets	(108)	(190)
Depreciation of tangible fixed assets	1,778	1,292
Auditors' remuneration : in respect of audit services	19	16
: other services	10	18
Directors' emoluments (see below)	59	83
<b>Directors' remuneration</b>		
Aggregate emoluments	59	58
Contributions to money purchase pension schemes	-	25
	<u>59</u>	<u>83</u>

Contributions to a money purchase pension scheme were made on behalf of no directors in 1998 (1997 : one).

The highest paid director received aggregate emoluments of £57,242 (1997 : £56,286) and contributions of £Nil (1997 : £25,000) were made to a money purchase pension scheme on his behalf.

**4 GROUP STAFF COSTS**

	£'000	1997 £'000
Wages and salaries	6,368	4,992
Social security costs	563	445
Other pension costs	286	251
	<u>7,217</u>	<u>5,688</u>

The average monthly number of employees during the year was made up as follows :

Office and management	94	85
Sales staff	174	129
	<u>268</u>	<u>214</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**5 PROFIT FOR THE FINANCIAL YEAR**

The company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £486,000 (1997 : £225,000) which is dealt with in the financial statements of the parent company.

**6 GROUP INTEREST RECEIVABLE**

	£'000	1997 £'000
Bank interest receivable	353	301
Interest receivable from joint venture	13	-
	<u>366</u>	<u>301</u>

**7 GROUP INTEREST PAYABLE**

	£'000	1997 £'000
Hire purchase repayable within five years	89	138
	<u>89</u>	<u>138</u>

**8 GROUP TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	£'000	1997 £'000
Based on the profit for the year		
Corporation tax at 33% and 21% (1997 : 31.5% and 21.75%)	649	395
Deferred taxation	(192)	52
Adjustment to prior years	50	9
	<u>507</u>	<u>456</u>
Joint venture	52	29
	<u>559</u>	<u>485</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**9 DIVIDENDS**

	<b>£'000</b>	<b>1997 £'000</b>
Final dividend proposed 25p (1997 : 12p)	<u>275</u>	<u>132</u>

**10 TANGIBLE FIXED ASSETS**

	<b>Leasehold land and building £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Total £'000</b>
<b>The Group</b>				
<b>Cost or valuation</b>				
At 1 January 1998	59	819	22,921	23,799
Additions at cost	-	-	579	579
Disposals	-	-	(721)	(721)
	<u>59</u>	<u>819</u>	<u>22,779</u>	<u>23,657</u>
At 31 December 1998				
	<u>59</u>	<u>819</u>	<u>22,779</u>	<u>23,657</u>
<b>Comprising :</b>				
Cost	59	719	22,779	23,557
Valuation : 1973	-	100	-	100
	<u>59</u>	<u>819</u>	<u>22,779</u>	<u>23,657</u>
<b>Depreciation</b>				
At 1 January 1998	-	147	16,207	16,354
On disposals	-	-	(663)	(663)
Charge for year	1	35	1,742	1,778
	<u>1</u>	<u>182</u>	<u>17,286</u>	<u>17,469</u>
At 31 December 1998				
	<u>1</u>	<u>182</u>	<u>17,286</u>	<u>17,469</u>
<b>Net book values</b>				
At 31 December 1998	<u>58</u>	<u>637</u>	<u>5,493</u>	<u>6,188</u>
At 31 December 1997	<u>59</u>	<u>672</u>	<u>6,714</u>	<u>7,445</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**10 TANGIBLE FIXED ASSETS - (continued)**

The charge for depreciation of plant and machinery includes £542,000 (1997 : £520,000) in respect of assets held under finance leases and assets acquired under hire purchase contracts. At 31 December 1998 the net book value of assets held under finance leases and acquired under hire purchase contracts was £1,694,000 (1997 : £2,905,000).

If land and buildings had not been revalued they would have been included in the following amounts under the historical cost accounting rules :

	£'000	1997 £'000
Cost	<u>732</u>	<u>732</u>
Accumulated depreciation	<u>154</u>	<u>125</u>
Net book value	<u>578</u>	<u>607</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**10 TANGIBLE FIXED ASSETS - (continued)**

	<b>Freehold land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Total £'000</b>
<b>The Company</b>			
<b>Cost or valuation</b>			
At 1 January 1998	304	741	1,045
Disposals	-	(16)	(16)
	<hr/>	<hr/>	<hr/>
At 31 December 1998	304	725	1,029
	<hr/>	<hr/>	<hr/>
<b>Comprising :</b>			
Cost	259	725	984
Valuation : 1973	45	-	45
	<hr/>	<hr/>	<hr/>
	304	725	1,029
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 1998	18	438	456
On disposals	-	(15)	(15)
Charge for year	24	66	90
	<hr/>	<hr/>	<hr/>
At 31 December 1998	42	489	531
	<hr/>	<hr/>	<hr/>
<b>Net book values</b>			
At 31 December 1998	<u>262</u>	<u>236</u>	<u>498</u>
	<hr/>	<hr/>	<hr/>
At 31 December 1997	<u>286</u>	<u>303</u>	<u>589</u>
	<hr/>	<hr/>	<hr/>

**PREMIER LIME AND STONE COMPANY LIMITED  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**10 TANGIBLE FIXED ASSETS - (continued)**

The charge for depreciation of plant and machinery includes £36,000 (1997 : £26,000) in respect of assets held under finance leases and assets acquired under hire purchase contracts. At 31 December 1998 the net book value of assets held under finance leases and acquired under hire purchase contracts was £152,000 (1997 : £188,000).

If land and buildings had not been revalued they would have been included in the following amounts under the historical cost accounting rules :

	£'000	1997 £'000
Cost	<u>272</u>	<u>272</u>
Accumulated depreciation	<u>39</u>	<u>18</u>
Net book value	<u>233</u>	<u>254</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
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**11 FIXED ASSET INVESTMENTS**

		The group		The company	
			1997		1997
		£'000	£'000	£'000	£'000
Listed	(a)	-	-	-	-
Subsidiary undertakings	(b)	-	-	1,596	1,548
Joint venture	(c)	26	16	-	-
Cost at 31 December 1998		26	16	1,596	1,548

**(a) Listed on recognised Stock Exchange**

		The group		The company	
			1997		1997
		£'000	£'000	£'000	£'000
Cost at 1 January and 31 December 1998		89	89	89	89
Provision for losses in prior years		(89)	(89)	(89)	(89)
Book and market value at 31 December 1998		-	-	-	-

**(b) Shares in subsidiary undertakings**

		The company	
			1997
		£'000	£'000
Cost at 1 January 1998		1,548	1,548
Purchases during the year		48	-
Cost at 31 December 1998		1,596	1,548

Investments in subsidiary undertakings comprise the following :

Name of subsidiary	Proportion held	Nature of business
C A Blackwell (Contracts) Limited	2,737,024 Ordinary 25p shares representing 76.4% of share capital	Engineering and earth moving contractors

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**11 FIXED ASSET INVESTMENTS - (continued)**

**(c) Joint venture**

	Share capital £'000	Retained profit £'000	Total (group) £'000
Cost as at 1 January 1998	7	9	16
Additions	-	10	10
Cost as at 31 December 1998	<u>7</u>	<u>19</u>	<u>26</u>

The investment in the joint venture company is as follows :

Name of joint venture	Proportion held	Nature of business
Geofirma Soils Engineering Limited	33.3% by C A Blackwell (Contracts) Limited	Soil stabilisation

**12 STOCKS**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
<b>Long term contract balances :</b>				
Net cost less foreseeable losses	15,573	11,503	-	-
Less : Payments on account	14,951	11,275	-	-
Contract work in progress	622	228	-	-
Raw materials and consumables	527	474	13	14
	<u>1,149</u>	<u>702</u>	<u>13</u>	<u>14</u>

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



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**13 CURRENT ASSET INVESTMENTS**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
<b>Land</b>				
Development land :				
At 1 January 1998	532	523	-	-
Addition	1	9	-	-
Cost at 31 December 1998	<u>533</u>	<u>532</u>	<u>-</u>	<u>-</u>

**14 DEBTORS**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
Amounts falling due within one year :				
Contract debtors	1,678	3,034	-	-
Trade debtors	1,760	1,300	138	130
Prepayments and accrued income	80	78	5	5
Dividend receivable from subsidiary undertaking and joint venture	110	98	410	217
Amounts owed by joint venture	46	333	-	-
Amounts owed by subsidiary undertaking	-	-	112	-
Other debtors	18	49	18	49
Taxation recoverable	17	-	-	-
	<u>3,709</u>	<u>4,892</u>	<u>683</u>	<u>401</u>
Included above are debtors due after more than one year as follows :				
Amounts owed by joint venture	<u>23</u>	<u>46</u>	<u>-</u>	<u>-</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
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**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
Cash book overdrawn balance	-	157	-	-
Trade creditors	2,046	1,196	13	15
Hire purchase and finance leases	569	852	35	48
Corporation tax	631	303	1	-
Amounts owed to joint venture	2	336	-	-
Amounts owed to subsidiary undertaking	-	-	-	12
Other taxation and social security payable	485	288	22	18
Other creditors	15	5	-	-
Accruals and deferred income	487	430	8	8
Proposed dividend	275	132	275	132
Payments received on account	2,550	2,029	-	-
	<u>7,060</u>	<u>5,728</u>	<u>354</u>	<u>233</u>

**16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
Due between first and second years	123	513	31	35
Due between second and fifth years	129	195	13	45
Hire purchase and finance leases	<u>252</u>	<u>708</u>	<u>44</u>	<u>80</u>

**PREMIER LIME AND STONE COMPANY LIMITED  
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**17 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, being 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 reduced as restoration has been carried at :

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
At 1 January 1998	49	49	49	49
Provision released	(35)	-	(35)	-
At 31 December 1998	14	49	14	49
<b>Deferred taxation account</b>				
At 1 January 1998	714	662	38	35
Profit and loss account				
- charge for year	(192)	52	(21)	3
At 31 December 1998	522	714	17	38
<b>Total provisions for liabilities and charges included in the financial statements</b>	<b>536</b>	<b>763</b>	<b>31</b>	<b>87</b>
Potential amounts of deferred tax are as follows :				
Provided above :				
Plant and other timing differences	522	696	17	20
Capital gains rolled over	-	18	-	18
	522	714	17	38
Not provided above :				
Revaluations of properties included with fixed assets	-	21	-	9
Capital gains rolled over	-	10	-	-
	522	745	17	47

**PREMIER LIME AND STONE COMPANY LIMITED  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1998**

**18 CALLED UP SHARE CAPITAL**

	£'000	1997 £'000
Authorised :		
5,000,000 ordinary shares of 10p each	500	500
Allotted, called up and fully paid :		
1,099,000 ordinary shares of 10p each	110	110

**19 REVALUATION RESERVE**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
Surplus arising from revaluation of freehold land and buildings in 1973	31	31	31	31

**20 CAPITAL RESERVE**

	The group		The company	
	£'000	1997 £'000	£'000	1997 £'000
Arising from the acquisition of a former subsidiary	88	88	88	88
Realised after tax profit on sale of land in November 1983	-	54	-	54
Reserve arising on consolidation	139	131	-	-
	227	273	88	142

During the year the amount of £54,000 relating to profit on sale of land in November 1983 was transferred to the profit and loss account reserve.

**PREMIER LIME AND STONE COMPANY LIMITED  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**21 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

	<b>The group</b>		<b>The company</b>	
	<b>£'000</b>	<b>1997 £'000</b>	<b>£'000</b>	<b>1997 £'000</b>
Profit for the financial year after taxation	<b>1,179</b>	<b>880</b>	<b>486</b>	<b>225</b>
Dividends	<b>(275)</b>	<b>(132)</b>	<b>(275)</b>	<b>(132)</b>
	<b>904</b>	<b>748</b>	<b>211</b>	<b>93</b>
Reserve arising on consolidation	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>
Shareholders' funds at 1 January 1998	<b>6,951</b>	<b>6,203</b>	<b>2,163</b>	<b>2,070</b>
Shareholders' funds at 31 December 1998	<b>7,863</b>	<b>6,951</b>	<b>2,374</b>	<b>2,163</b>

**22 CONTINGENT LIABILITY**

**The group**

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.

**The company**

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

The company has guaranteed banking and finance facilities for its subsidiary and joint venture companies.

**PREMIER LIME AND STONE COMPANY LIMITED  
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**23 COMMITMENTS**

**Capital commitments**

At 31 December 1998 capital expenditure of £Nil (1997 : £Nil) was contracted for but not provided for in the financial statements.

**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 £283,000 (1997 : £251,000).

**Other commitments**

The company has agreed to buy further shares in its subsidiary company, C A Blackwell (Contracts) Limited from a current member. £48,000 is to be paid for these shares.

**24 RELATED PARTIES**

The ultimate controlling party of Premier Lime & Stone Company Limited are the trustees of C A R Blackwell deceased who hold 91.08% of the issued share capital.

During the year the company entered into transactions with its subsidiary company, C A Blackwell (Contracts) Limited.

All related party transactions between the company and other group companies have been eliminated in these consolidated financial statements.

**PREMIER LIME AND STONE COMPANY LIMITED  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**25 RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS**

	£'000	1997 £'000
Operating profit	1,632	1,348
Depreciation on tangible fixed assets	1,778	1,292
(Profit) on disposal of fixed assets	(108)	(190)
(Increase) in stocks and work in progress	(447)	(93)
(Increase) in trade debtors	(460)	(691)
Decrease/(increase) in contract debtors	1,356	(2,223)
Decrease/(increase) in other debtors	307	(281)
Increase/(decrease) in trade creditors	850	(80)
Increase/(decrease) in other taxation and social security	197	(18)
Increase in other creditors	254	245
Reinstatement provision adjustment	(24)	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>5,335</b>	<b>(691)</b>

**26 ANALYSIS OF NET FUNDS**

	At 31 December 1998 £'000		At 31 December 1997 £'000		At 31 December 1996 £'000
		Cash flow £'000		Cash flow £'000	
Overdrawn cash book balances	-	157	(157)	141	(298)
Cash at bank and in hand	6,439	3,759	2,680	(3,793)	6,473
	<u>6,439</u>	<u>3,916</u>	<u>2,523</u>	<u>(3,652)</u>	<u>6,175</u>

**Analysis of changes in financing during the year**

	£'000	1997 £'000
At 1 January 1998	1,560	2,424
New agreements	141	477
Cash flow payments	(880)	(1,341)
<b>At 31 December 1998</b>	<b>821</b>	<b>1,560</b>

**Major non-cash transactions**

During the year the group entered into hire purchase agreements in respect of fixed assets with a total capital value at the inception of the agreement of £141,000 (1997 : £477,000).