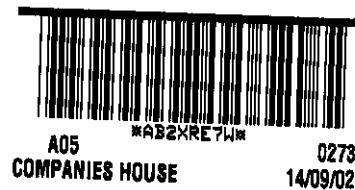


Company Registration No. 3846248
(England and Wales)

Glebe Mines Limited

Directors' Report and Financial Statements For The Year Ended 31 March 2002



GLEBE MINES LIMITED

CONTENTS

| | Page |
|-----------------------------------|--------|
| Directors' report | 1 - 2 |
| Independent auditors' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Cash flow statement | 6 |
| Notes to the cash flow statement | 7 - 8 |
| Notes to the financial statements | 9 - 17 |

GLEBE MINES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business

The principal activity of the company during the year has been the production and supply of the following industrial mineral products:

- Acid grade fluorspar
- Barytes (filler/paint grade)
- Lead concentrate
- Construction aggregates

The company produces its ore requirements from its own open pit quarry (Longstone Edge) and underground mine (Watersaw). Both mining operations are located within the company's landholding. Ore is also purchased from local independent quarry operators (Tributors).

The ore is processed within the company's processing plant at Cavendish Mill to produce mineral concentrates to international specifications under an ISO9002 quality system.

The majority of the mineral products are supplied under long term contracts.

During the year the company has achieved the following short term objectives:

- Approval for a new consolidated long term planning consent for Longstone Edge as replacement for the previous ministerial consents.
- Replace the mining contract at Longstone Edge with the direct operation of the open pit by the company to improve the grade and quantity of the ore supply, cost control and the management procedures.

Strategic Objectives

The principal business objectives during the next financial year are as follows:

- Secure planning consents for new vein mineral open pit quarry sites to increase the company's long term permitted ore reserves.
- Secure an extended three year sales contract with increased tonnage allocation for the supply of acid grade fluorspar.
- Implement a closure programme for Milldam Mine including the progressive discharge of the related property leases.
- Undertake business development to secure opportunities for the company's medium to long term involvement in new mining ventures principally within Europe and North America.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the profit of £208,557 be transferred to reserves.

GLEBE MINES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

Market value of land and buildings

In the opinion of the directors the market value of land and buildings is not significantly different to the current net book value.

Directors

The following directors have held office since 1 April 2001:

P J Robinson

Prof M S Johnson

J W Parkhouse

Directors' interests

As P J Robinson and Prof M S Johnson are also directors of Ettrick Holdings Limited, this company's parent company, their interests are not required to be recorded in this company's register of directors' interests. J W Parkhouse has no interest in the shares of any group company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Garbutt & Elliott Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

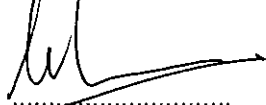
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



P J Robinson

Director

13 August 2002

GLEBE MINES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GLEBE MINES LIMITED

We have audited the financial statements of Glebe Mines Limited on pages 4 to 17 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Garbutt & Elliott Limited

Garbutt & Elliott Limited

Chartered Accountants
Registered Auditors

16 August 2002

Monkgate House
44 Monkgate
York
YO31 7HF

GLEBE MINES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|------------------|------------------|
| Turnover | 2 | 5,729,071 | 4,741,819 |
| Cost of sales | | (3,957,724) | (3,487,119) |
| Gross profit | | 1,771,347 | 1,254,700 |
| Distribution costs | | (532,330) | (478,351) |
| Administrative expenses | | (948,718) | (683,503) |
| Other operating income | | 38,797 | 122,257 |
| Operating profit | 3 | 329,096 | 215,103 |
| Other interest receivable and similar income | | 107 | 454 |
| Interest payable and similar charges | 4 | (24,304) | (14,966) |
| Profit on ordinary activities before taxation | | 304,899 | 200,591 |
| Tax on profit on ordinary activities | 5 | (96,342) | (54,165) |
| Profit on ordinary activities after taxation | 14 | 208,557 | 146,426 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.


There are no recognised gains and losses other than those passing through the profit and loss account.

GLEBE MINES LIMITED

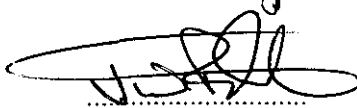
BALANCE SHEET AS AT 31 MARCH 2002

| | Notes | 2002 £ | £ | 2001 £ | £ |
|--|-------|--------------------|------------------|--------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 813,934 | | 768,816 |
| Current assets | | | | | |
| Stocks | 7 | 760,558 | | 768,557 | |
| Debtors | 8 | 770,546 | | 959,745 | |
| Cash at bank and in hand | | 13,414 | | 16,124 | |
| | | <u>1,544,518</u> | | <u>1,744,426</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(1,232,289)</u> | | <u>(2,134,071)</u> | |
| Net current assets/(liabilities) | | | 312,229 | | (389,645) |
| Total assets less current liabilities | | | <u>1,126,163</u> | | <u>379,171</u> |
| Creditors: amounts falling due after more than one year | 10 | | (365,034) | | (12,544) |
| Provisions for liabilities and charges | 11 | | (240,945) | | (55,000) |
| | | | <u>520,184</u> | | <u>311,627</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 1 | | 1 |
| Profit and loss account | 14 | | 520,183 | | 311,626 |
| Shareholders' funds - equity interests | 15 | | <u>520,184</u> | | <u>311,627</u> |

The financial statements were approved by the Board on 13 August 2002



P J Robinson
Director



J W Parkhouse
Director

GLEBE MINES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

| | 2002 | 2001 |
|---|-----------|-----------|
| | £ | £ |
| Net cash inflow from operating activities | 494,691 | 134,998 |
| Returns on investments and servicing of finance | | |
| Interest received | 107 | 454 |
| Interest paid | (24,304) | (14,966) |
| Net cash outflow for returns on investments and servicing of finance | (24,197) | (14,512) |
| Taxation | (49,342) | (34,954) |
| Capital expenditure | | |
| Payments to acquire tangible assets | (55,271) | (103,976) |
| Receipts from sales of tangible assets | 2,600 | 45,700 |
| Net cash outflow for capital expenditure | (52,671) | (58,276) |
| Net cash inflow before management of liquid resources and financing | 368,481 | 27,256 |
| Financing | | |
| New long term bank loan | 327,945 | - |
| Other new short term loans | 22,055 | - |
| Repayment of other long term loans | (349,000) | (349,000) |
| Repayment of other short term loans | - | (131,000) |
| Capital element of hire purchase contracts | (65,022) | (17,918) |
| Net cash outflow from financing | (64,022) | (497,918) |
| Increase/(decrease) in cash in the year | 304,459 | (470,662) |

GLEBE MINES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

| | | | | |
|---|---|--|-----------|-----------|
| 1 | Reconciliation of operating profit to net cash inflow from operating activities | | 2002 | 2001 |
| | | | £ | £ |
| | Operating profit | | 329,096 | 215,103 |
| | Depreciation of tangible assets | | 125,408 | 107,941 |
| | Net charge for restoration costs | | 178,945 | - |
| | Loss/(profit) on disposal of tangible assets | | 190 | (25,705) |
| | Decrease/(increase) in stocks | | 7,999 | (29,692) |
| | Decrease/(increase) in debtors | | 189,199 | (431,232) |
| | (Decrease)/Increase in creditors within one year | | (336,146) | 298,583 |
| | Net cash inflow from operating activities | | 494,691 | 134,998 |

| | | | | |
|---|-----------------------------------|--------------|-----------|---------------------------------------|
| 2 | Analysis of net debt | 1 April 2001 | Cash flow | Other non- 31 March 2002 cash changes |
| | | £ | £ | £ |
| | Net cash: | | | |
| | Cash at bank and in hand | 16,124 | (2,710) | - |
| | Bank overdrafts | (543,076) | 307,169 | - |
| | | (526,952) | 304,459 | - |
| | Debt: | | | |
| | Finance leases | (30,463) | 65,022 | (118,045) |
| | Debts falling due within one year | (349,000) | 326,945 | - |
| | Debts falling due after one year | - | (327,945) | - |
| | | (379,463) | 64,022 | (118,045) |
| | Net debt | (906,415) | 368,481 | (118,045) |

| | | | |
|---|---|-----------|-----------|
| 3 | Reconciliation of net cash flow to movement in net debt | 2002 | 2001 |
| | | £ | £ |
| | Increase/(decrease) in cash in the year | 304,459 | (470,662) |
| | Cash outflow from decrease in debt and lease financing | 64,022 | 497,918 |
| | Change in net debt resulting from cash flows | 368,481 | 27,256 |
| | New finance lease | (118,045) | - |
| | Movement in net debt in the year | 250,436 | 27,256 |
| | Opening net debt | (906,415) | (933,671) |
| | Closing net debt | (655,979) | (906,415) |

GLEBE MINES LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2002*

4 Major non-cash transactions

Inception of new finance leases of £118,045 (2001 - £nil) represent major non-cash transactions.

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---------------------|-----------------------------|
| Freehold buildings | 2 - 6.67% straight line |
| Plant and machinery | 15% reducing balance |
| Office equipment | 33% reducing balance |
| Motor vehicles | 25% or 33% reducing balance |

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.9 Pensions

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

(continued)

1.10 Restoration costs

Provision for restoration costs is made to reflect the costs of remedial works as required to comply with planning consents, relating to various mining sites. The amount provided represents the expected costs of restoration based on site works carried out at the balance sheet date. The charge to the profit and loss account represents the movement on the restoration costs provision.

2 Turnover

Geographical market

| | Turnover | |
|-------------------|------------------|------------------|
| | 2002 | 2001 |
| | £ | £ |
| UK | 5,591,508 | 4,350,336 |
| Europe | 98,887 | 368,699 |
| Rest of the World | 38,676 | 22,784 |
| | <u>5,729,071</u> | <u>4,741,819</u> |

3 Operating profit

| | 2002 | 2001 |
|--|--------------|---------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 125,408 | 107,941 |
| Site restoration | 183,948 | 40,744 |
| Auditors' remuneration | 5,000 | 5,000 |
| Directors' emoluments | 64,527 | 59,066 |
| and after crediting: | | |
| Government grants | <u>4,965</u> | <u>64,371</u> |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001 - 1).

4 Interest payable

| | 2002 | 2001 |
|------------------------------|---------------|---------------|
| | £ | £ |
| On bank loans and overdrafts | 18,724 | 12,587 |
| Hire purchase interest | 5,580 | 2,379 |
| | <u>24,304</u> | <u>14,966</u> |

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

| 5 | Taxation | 2002 £ | 2001 £ |
|---|--|----------------|----------------|
| | Domestic current year tax | | |
| | U.K. corporation tax | 90,000 | 50,000 |
| | Adjustment for prior years | (658) | 4,165 |
| | Current tax charge | <u>89,342</u> | <u>54,165</u> |
| | Deferred tax | | |
| | Deferred tax charge/credit current year | 7,000 | - |
| | | <u>96,342</u> | <u>54,165</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | <u>304,899</u> | <u>200,591</u> |
| | Profit on ordinary activities before taxation multiplied by a rate of UK corporation tax of 30.00% (2001 : 30.00%) | <u>91,470</u> | <u>60,177</u> |
| | Effects of: | | |
| | Non deductible expenses | 1,830 | 4,059 |
| | Depreciation | 37,622 | 31,587 |
| | Capital allowances | (39,267) | (36,078) |
| | Adjustments to previous periods | (658) | 4,165 |
| | Chargeable disposals | - | 7,139 |
| | Other tax adjustments | (1,124) | (9,142) |
| | Small companies relief | (531) | (7,742) |
| | | <u>(2,128)</u> | <u>(6,012)</u> |
| | Current tax charge | <u>89,342</u> | <u>54,165</u> |

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

6 Tangible fixed assets

| | Freehold buildings £ | Plant and machinery £ | Office equipment £ | Motor vehicles £ | Total £ |
|-----------------------|----------------------------|-----------------------------|--------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 April 2001 | 240,000 | 541,560 | 51,427 | 81,643 | 914,630 |
| Additions | 26,691 | 12,636 | 15,946 | 118,043 | 173,316 |
| Disposals | - | - | - | (5,000) | (5,000) |
| At 31 March 2002 | 266,691 | 554,196 | 67,373 | 194,686 | 1,082,946 |
| Depreciation | | | | | |
| At 1 April 2001 | 6,276 | 99,138 | 14,321 | 26,079 | 145,814 |
| On disposals | - | - | - | (2,210) | (2,210) |
| Charge for the year | 6,026 | 67,095 | 14,941 | 37,346 | 125,408 |
| At 31 March 2002 | 12,302 | 166,233 | 29,262 | 61,215 | 269,012 |
| Net book value | | | | | |
| At 31 March 2002 | 254,389 | 387,963 | 38,111 | 133,471 | 813,934 |
| At 31 March 2001 | 233,724 | 442,422 | 37,106 | 55,564 | 768,816 |

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Motor vehicles £ |
|---|------------------------|
| Net book values | |
| At 31 March 2002 | 133,471 |
| At 31 March 2001 | 52,699 |
| Depreciation charge for the year | |
| 31 March 2002 | 37,346 |
| 31 March 2001 | 17,556 |

7 Stocks

| | 2002 £ | 2001 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 760,558 | 768,557 |

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

| 8 | Debtors | 2002 | 2001 |
|---|---|------------------|------------------|
| | | £ | £ |
| | Trade debtors | 704,913 | 937,473 |
| | Other debtors | 1,000 | 300 |
| | Prepayments and accrued income | 64,633 | 21,972 |
| | | <u>770,546</u> | <u>959,745</u> |
| | | | |
| 9 | Creditors: amounts falling due within one year | 2002 | 2001 |
| | | £ | £ |
| | Bank loans and overdrafts | 257,962 | 543,076 |
| | Net obligations under hire purchase contracts | 46,397 | 17,919 |
| | Trade creditors | 332,132 | 653,943 |
| | Amounts owed to parent and fellow subsidiary undertakings | 206,708 | 195,011 |
| | Corporation tax | 90,000 | 50,000 |
| | Other taxes and social security costs | 107,743 | 111,018 |
| | Other creditors | 65,255 | 352,326 |
| | Accruals and deferred income | 126,092 | 210,778 |
| | | <u>1,232,289</u> | <u>2,134,071</u> |

Bank borrowings are secured against certain assets of the company.

Hire purchase borrowings are secured against the assets to which they relate.

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

| 10 Creditors: amounts falling due after more than one year | 2002 £ | 2001 £ |
|---|----------------|----------------|
| Bank loans | 327,945 | - |
| Net obligations under hire purchase contracts | 37,089 | 12,544 |
| | <u>365,034</u> | <u>12,544</u> |
| Analysis of loans | | |
| Not wholly repayable within five years by instalments: | 350,000 | - |
| Wholly repayable within five years | - | 349,000 |
| | <u>350,000</u> | <u>349,000</u> |
| Included in current liabilities | (22,055) | (349,000) |
| | <u>327,945</u> | <u>-</u> |
| Instalments not due within five years | <u>141,338</u> | <u>-</u> |
| Loan maturity analysis | | |
| In more than one year but not more than two years | 24,931 | - |
| In more than two years but not more than five years | 92,055 | - |
| In more than five years | 210,959 | - |
| | <u></u> | <u></u> |
| Net obligations under hire purchase contracts | | |
| Repayable within one year | 51,895 | 20,359 |
| Repayable between one and five years | 41,678 | 14,069 |
| | <u>93,573</u> | <u>34,428</u> |
| Finance charges and interest allocated to future accounting periods | (10,087) | (3,965) |
| | <u>83,486</u> | <u>30,463</u> |
| Included in liabilities falling due within one year | (46,397) | (17,919) |
| | <u>37,089</u> | <u>12,544</u> |

Bank borrowings are secured against certain assets of the company.

Hire purchase borrowings are secured against the assets to which they relate.

The loans are repayable in 120 equal monthly instalments and interest is calculated at 2.5% above Barclays Bank plc base rate. No interest has been charged in respect of these loans as they were drawn shortly before the year end.

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

11 Provisions for liabilities and charges

| | Deferred taxation £ | Restoration costs £ | Total £ |
|--------------------------|---------------------------|---------------------------|----------------|
| Balance at 1 April 2001 | 55,000 | - | 55,000 |
| Profit and loss account | 7,000 | 178,945 | 185,945 |
| Balance at 31 March 2002 | <u>62,000</u> | <u>178,945</u> | <u>240,945</u> |

Deferred taxation provided in the financial statements is as follows:

| | 2002 £ | 2001 £ |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>62,000</u> | <u>55,000</u> |

The restoration costs provision relates to the company's liability to restore mining sites to their natural condition after completion of works, in accordance with the terms of planning consents. The costs are based on survey measures carried out at the balance sheet date, and an estimate of costs to restore the sites to their natural state at this time assuming no further mining works are to be carried out.

12 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents:

| | 2002 £ | 2001 £ |
|---|---------------|--------------|
| Contributions payable by the company for the year | <u>20,693</u> | <u>6,790</u> |

13 Share capital

| | 2002 £ | 2001 £ |
|---|--------------|--------------|
| Authorised | | |
| 1,000 Ordinary share of £ 1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £ 1 each | <u>1</u> | <u>1</u> |

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

14 Statement of movements on profit and loss account

Profit and
loss
account
£

| | |
|------------------------------|---------|
| Balance at 1 April 2001 | 311,626 |
| Retained profit for the year | 208,557 |
| Balance at 31 March 2002 | 520,183 |

15 Reconciliation of movements in shareholders' funds

2002

2001

£

£

| | | |
|-------------------------------|---------|---------|
| Profit for the financial year | 208,557 | 146,426 |
| Opening shareholders' funds | 311,627 | 165,201 |
| Closing shareholders' funds | 520,184 | 311,627 |

16 Financial commitments

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

| | 2002 £ | 2001 £ |
|----------------------------|-----------|-----------|
| Expiry date: | | |
| Between two and five years | 124,472 | 119,375 |

The financial commitment is in respect of plant and machinery.

17 Directors' emoluments

2002

2001

£

£

| | | |
|---|--------|--------|
| Emoluments for qualifying services | 63,135 | 58,441 |
| Company pension contributions to money purchase schemes | 1,392 | 625 |
| | 64,527 | 59,066 |

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001 - 1).

GLEBE MINES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2002 Number | 2001 Number |
|----------------------------------|----------------|----------------|
| Management and administration | 10 | 7 |
| Operations, mining and technical | 35 | 31 |
| | <u>45</u> | <u>38</u> |

Employment costs

| | £ | £ |
|-----------------------|------------------|----------------|
| Wages and salaries | 1,007,101 | 845,583 |
| Social security costs | 85,641 | 71,741 |
| Other pension costs | 20,693 | 6,790 |
| | <u>1,113,435</u> | <u>924,114</u> |

19 Control

The ultimate parent company is Ettrick Holdings Limited, a company controlled by PJ Robinson, a director.

20 Related party transactions

Land Regeneration Management Limited (LRM)

LRM is a fellow subsidiary. During the year, LRM charged Glebe Mines Limited (GML) £nil (2001 - £53,500) for management services and GML made purchases from LRM amounting to £15,009 (2001 - £10,450). At the balance sheet date, £171,458 (2001 - £195,011) was owed to LRM and included within creditors, amounts owed to parent and fellow subsidiary undertakings.

Ettrick Holdings Limited (Ettrick)

Ettrick is this company's parent company. During the year, Ettrick charged GML £120,000 (2001 - £nil) for management services. At the balance sheet date, £35,250 (2001 - £nil) was owed to Ettrick and included within creditors, amounts owed to parent and fellow subsidiary undertakings.