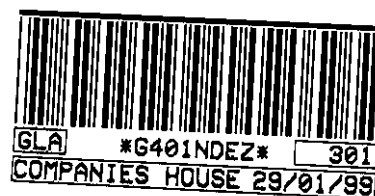


AIRDRIEHILL QUARRIES LIMITED
(Registered Number 23357)

REPORT AND ACCOUNTS

YEAR ENDED 28 MARCH 1998



AIRDRIEHILL QUARRIES LIMITED

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AIRDRIEHILL QUARRIES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 28 March 1998.

REVIEW OF THE BUSINESS AND RESULTS

The Company has not traded during the year and therefore made neither a profit nor a loss.

DIRECTORS

The directors who held office during the year were as follows:

D J Downes
K R Morin

DIRECTORS INTERESTS

Neither of the directors had a direct interest in the share capital of the company.

Those directors who were not also directors of Shanks & McEwan Group PLC had interests in that company's share capital as follows:

	<u>As at 28 March 1998</u>		<u>As at 29 March 1997</u>	
	Ordinary Shares of 10p	Options	Ordinary Shares of 10p	Options
K R Morin	8,350	219,161	8,167	268,363
K R Morin - related persons	80,384	-	43,262	-

The other director was also director of Shanks & McEwan Group PLC, and his interest in the share capital of the parent undertaking is disclosed in that company's financial statements.

The directors had no interests in the shares of any other company in the group.

STATEMENT OF 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;
- 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 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.

AIRDRIEHILL QUARRIES

DIRECTORS' REPORT (CONTINUED)

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office having been appointed by the Board to fill the casual vacancy arising by reason of the resignation of Pricewaterhouse following their merger with Coopers & Lybrand on 1 July 1998. A resolution concerning the reappointment of PricewaterhouseCoopers will be proposed at the forthcoming Annual General Meeting.

By Order of the Board.
23 July 1998



S M Muir
Secretary

Registered Office:
A8 Edinburgh Road
Coatbridge
Lanarkshire
ML5 4UG

AUDITORS' REPORT TO THE MEMBERS OF
AIRDRIEHILL QUARRIES LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Directors and Auditors

As described on page 1 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 report our opinion to you.

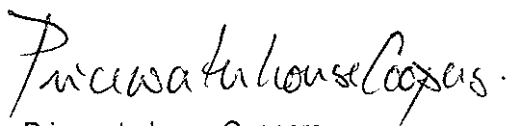
Basis of Opinion

We conducted our audits in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates and judgements made by the directors in preparing the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and prepared 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 company's affairs as at 28 March 1998 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

23 July 1998

AIRDRIEHILL QUARRIES LIMITED

BALANCE SHEET - 28 MARCH 1998

	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS		
Debtors (Note 5)	132,708	132,708
	—	—
NET CURRENT ASSETS	<u>132,708</u>	<u>132,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	132,708	132,708
	=====	=====
CAPITAL AND RESERVES		
Called up share capital (Note 6)	24,700	24,700
Profit and loss account (Note 7)	<u>108,008</u>	<u>108,008</u>
SHAREHOLDERS' FUNDS (Note 8)	132,708	132,708
	=====	=====

APPROVED BY THE BOARD ON
23 July 1998



D J Downes
DIRECTOR

The notes on pages 5 to 6 form part of these financial statements.

AIRDRIEHILL QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 1998

1 ACCOUNTING POLICIES

(1) Basis of presentation

The financial statements have been prepared using the historical cost convention, and in accordance with applicable Accounting Standards.

(2) Tangible fixed assets

Tangible fixed assets, other than land, have been fully written off by providing depreciation in prior years.

2 PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years, the company made neither a profit nor a loss.

3 EMOLUMENTS OF DIRECTORS

The salaries of the directors were paid by other Shanks & McEwan Group undertakings and no remuneration was paid or is payable by Airdriehill Quarries Limited.

The directors estimate that no emoluments paid by other Shanks & McEwan Group undertakings relate to services provided to the company.

4 TAXATION

No taxation charge arises on the results for the year (1997 - NIL).

5 DEBTORS

	<u>1998</u>	<u>1997</u>
	£	£
Amounts owed by parent undertaking	<u>132,708</u>	<u>132,708</u>

The amounts owed by parent undertaking are due after one year.

6 CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised 25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid 24,700 ordinary shares of £1 each	<u>24,700</u>	<u>24,700</u>

AIRDRIEHILL QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 28 MARCH 1998 (CONTINUED)

7 PROFIT AND LOSS ACCOUNT

£

At 28 March 1998 and 29 March 1997

108,008

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

In view of the fact that the company has not traded during the financial year and the preceding financial year, there has been no movement in the total shareholders' funds of £132,708.

9 CONTINGENT LIABILITIES

The company has granted to its bankers an unlimited guarantee and a right to set off against amounts outstanding on advances to its parent and fellow subsidiary undertakings. The company has in the normal course of business given guarantees and performance bonds relating to the company's own contracts.

10 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary, the company has taken advantage of the disclosure exemptions under Financial Reporting Standard Number 8 in relation to inter group transactions.

11 ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Shanks & McEwan (Northern) Ltd, a company registered in Scotland.

The company's ultimate parent undertaking, and ultimate controlling party, is Shanks & McEwan Group PLC, a company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks & McEwan Group PLC, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YP.