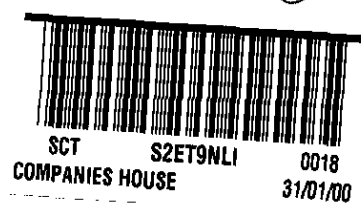


AIRDRIEHILL QUARRIES LIMITED
(Registered Number 23357)

REPORT AND ACCOUNTS

YEAR ENDED 27 MARCH 1999



AIRDRIEHILL QUARRIES LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and audited financial statements for the year ended 27 March 1999.

TRADING RESULTS AND DIVIDEND

The Company did not trade during the year and there were no transactions on the profit and loss account.

The Directors do not recommend that a dividend be paid in respect of the year ended 27 March 1999 (1998 : £Nil).

DIRECTORS

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

M C E Averill

D J Downes

J R Meredith Appointed 30 January 1999

M J Clarke Appointed 29 April 1999

DIRECTORS' INTERESTS

None of the Directors had a direct interest in the share capital of the Company.

Directors who were also Directors of Shanks Group plc have their interests in that company's share capital disclosed in the Group accounts.

The interests of J R Meredith and M J Clarke in the share capital of Shanks Group plc are disclosed in the accounts of Shanks Northern Limited

At 27 March 1999, Mrs J V Meredith, who is not a Director of the Company or Shanks Group plc, held 3,000 ordinary shares (1998: 3,000) in Shanks Group plc.

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.

AIRDRIEHILL QUARRIES LIMITED

DIRECTORS' REPORT (Continued)

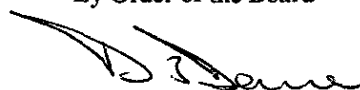
STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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*.

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers as auditors of the company will be proposed at the Annual General Meeting.

By Order of the Board



D J Downes
Director

22 July 1999

Registered Office:
Dunedin House
Auckland Park
Mount Farm
Milton Keynes
Buckinghamshire
MK1 1BU

AUDITORS' REPORT TO THE MEMBERS OF AIRDRIEHILL QUARRIES LIMITED

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

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report, including, as described on pages 1 and 2, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 27 March 1999 and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS
Chartered Accountants
and Registered Auditors

22 July 1999

AIRDRIEHILL QUARRIES LIMITED

BALANCE SHEET - 27 MARCH 1999

	<u>1999</u> £	<u>1998</u> £
CURRENT ASSETS		
Amounts due from parent undertaking	<u>132,708</u>	<u>132,708</u>
NET CURRENT ASSETS	<u>132,708</u>	<u>132,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>132,708</u>	<u>132,708</u>
CAPITAL AND RESERVES		
Called up share capital (Note 2)	24,700	24,700
Profit and loss account	108,008	108,008
EQUITY SHAREHOLDERS' FUNDS	<u>132,708</u>	<u>132,708</u>

APPROVED BY THE BOARD ON
22 July 1999



D J Downes
DIRECTOR

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

AIRDRIEHILL QUARRIES LIMITED

NOTES TO THE ACCOUNTS - 27 MARCH 1999

1. ACCOUNTING POLICIES

Basis of Preparation

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

2. CALLED UP SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
Authorised 25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted and fully paid 24,700 ordinary shares of £1 each	<u>24,700</u>	<u>24,700</u>

3. COMPANY STATUS

The Company has not traded during the year and accordingly it has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

4. ULTIMATE PARENT COMPANY

The Company's immediate holding company is Shanks Northern Limited (formerly Shanks & McEwan (Northern) Limited).

The ultimate parent Company is Shanks Group plc, a Company registered in Scotland. Copies of the group accounts may be obtained from the Company Secretary, Shanks Group plc, Astor House, Station Road, Bourne End, Buckinghamshire, SL8 5YP.