

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

**INDEPENDENT AUDITORS' REPORT TO BRAUNCEWELL QUARRIES LIMITED
ON THE ABBREVIATED ACCOUNTS**

We have examined the abbreviated accounts on pages 2 to 6 together with the accounts of Brauncewell Quarries Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December, 2001.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the registrar of companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

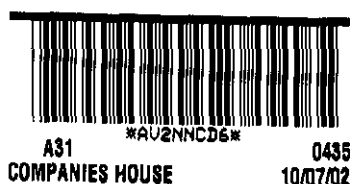
We have carried out the procedures we consider necessary to discharge our limited responsibilities set out above. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with those provisions.

27 June 2002
23, Alghitha Road,
Skegness

Walker Smyth & Marshall
WALKER, SMYTH & MARSHALL
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS



BRAUNCEWELL QUARRIES LIMITED

Company Number: 1034962

BALANCE SHEET as at 31ST DECEMBER, 2001

	<u>NOTE</u>	<u>2001</u>	<u>2000</u>
		£	£
<u>FIXED ASSETS</u>			
Intangible Assets	2	100	1250
Tangible Assets	3	1158773	1173509
Investment	4	50000	-
		1208873	1174759
<u>CURRENT ASSETS</u>			
Debtors		223137	173138
Cash at Bank and in Hand		330711	196592
		553848	369730
<u>CREDITORS</u>			
Amounts falling due within one year		375902	336766
<u>NET CURRENT ASSETS</u>		177946	32964
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		1386819	1207723
<u>NET ASSETS</u>		1386819	1207723
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	6	110	110
Profit and Loss Account		1386709	1207613
<u>SHAREHOLDERS FUNDS</u>		1386819	1207723

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on22nd June, 2002.....

and signed on its behalf by  Director

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2001

1. ACCOUNTING POLICIES

a. Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with:-

- i. the Financial Reporting Standard for Smaller Entities (effective March, 2000); and
- ii the special provisions of Part VII of the Companies Act 1985 relating to small companies.

b. Turnover

Turnover represents the sale of materials within the United Kingdom and comprises the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. All operations are continuing.

c. Depreciation

Depreciation is provided on Tangible Fixed Assets at rates calculated to write off the cost of each asset over its expected useful life as under:-

	<u>%</u>	<u>Method</u>
Mineral Rights	Over Their Expected Useful Life	
Buildings, etc.	10% and 2%	Straight Line
Plant and Machinery	15	Reducing Balance
Motor Vehicles	25	Reducing Balance
Office Equipment	15	Reducing Balance
" "	33.3	Straight Line

Freehold land is not depreciated as in the company's opinion the residual value exceeds the prices prevailing at the dates of acquisition.

d. Deferred Taxation

The directors consider that all timing differences between profits as computed for taxation purposes and profits as stated in the accounts will continue in the foreseeable future. Accordingly no provision has been made for deferred taxation.

e. Pension Costs

The company make contributions to a small self administered pension scheme for the Directors. These amounted to £Nil. There were no amounts outstanding at the balance sheet date.

The company also make contributions to certain employees private pension plans. These amounted to £2190. There were no amounts outstanding at the balance sheet date.

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2001

2. INTANGIBLE FIXED ASSET

This represents the Mineral Rights on 73 acres of land at Brauncewell

Cost at 31.12.2000 and 2001	95750
Amortisation at 31.12.2000	94500
Amortisation provided for the year	1150
Amortisation at 31.12.2001	95650
Net Book Value at 31.12.2001	100
Net Book Value at 31.12.2000	1250

3. TANGIBLE FIXED ASSETS

	Freehold <u>Land</u> £	Buildings <u>etc.</u> £	Plant and <u>Machinery</u> £	Motor <u>Vehicles</u> £	Office <u>Equipment</u> £	<u>Total</u> £
Cost at 31.12.2000	256898	99843	1172201	96288	22801	1648031
Additions			292080	23780	-	315860
Disposals			(275000)	(24721)	-	(299721)
Cost at 31.12.2001	256898	99843	1189281	95347	22801	1664170
Depreciation at 31.12.2000		6530	413149	37673	17170	474522
Provision for the year		2316	114721	13420	5484	135941
Disposals		-	(93365)	(11701)	-	(105066)
Depreciation at 31.12.2001		8846	434505	39392	22654	505397
Net Book Value at 31.12.2001	256898	90997	754776	55955	147	1158773
Net Book Value at 31.12.2000	256898	93313	759052	58615	5631	1173509

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2001

	<u>2001</u> £	<u>2000</u> £
4. <u>INVESTMENT</u>		
Cost at 31.12.2001	50000	
	—	
Market Value at 31.12.2001	47369	
	—	
	<u>Due Within One Year</u>	
	<u>2001</u>	<u>2000</u>
	£	£
5. <u>CREDITORS</u>		
Bank Loans and Overdrafts	36043	34271
Trade Creditors	146695	167160
Accruals	10120	3160
Taxation and Social Security	20323	7148
Directors Current Account	46175	44420
Corporation Tax	56546	20607
Loan	60000	60000
	—	—
	375902	336766
	—	—

The Bank Overdraft is secured by a Floating Charge dated 7th April, 1979 and a Legal Mortgage dated 23rd September, 1982 over 5 acres of Freehold Land.

The loan is secured by a Floating Charge dated 16th February, 1994

6. CALLED UP SHARE CAPITAL

Authorised

1000 Shares of £1 each	1000	1000
	—	—

Issued and Fully Paid

110 Ordinary Shares of £1 each	110	110
	—	—

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NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2001

7. RELATED PARTY TRANSACTIONS

Control

Throughout the period the company was controlled by Mr. J.N. and Mrs. S. Dickinson. Details of the directors interests in the company's share capital are set out in the directors report.

<u>Party</u>	<u>Transaction</u>	<u>Amount</u>	
		<u>2001</u>	<u>2000</u>
The Trustees of Brauncewell Directors Pension Plan	Loan Interest Paid	4871	5379
		—	—