

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

**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, 2002.

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.

2 June 2003

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, 2002

	<u>NOTE</u>	<u>2002</u>	<u>2001</u>
		£	£
<u>FIXED ASSETS</u>			
Intangible Assets	2	100	100
Tangible Assets	3	1168472	1158773
Investment	4	100000	50000
		1268572	1208873
<u>CURRENT ASSETS</u>			
Debtors		228689	223137
Cash at Bank and in Hand		531334	330711
		760023	553848
<u>CREDITORS</u>			
Amounts falling due within one year	5	416286	375902
<u>NET CURRENT ASSETS</u>			
		343737	177946
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		1612309	1386819
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
		156517	138210
<u>NET ASSETS</u>			
		1455792	1248609
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	6	110	110
Profit and Loss Account		1455682	1248499
<u>SHAREHOLDERS FUNDS</u>			
		1455792	1248609

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 on 31/5/03

and signed on its behalf by J.N. Hill Director

BRAUNCEWELL QUARRIES LIMITED

Company Number: 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2002

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 June, 2002); 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

Full provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the accounts. Last year's policy was not to provide for timing differences as these were expected to continue in the foreseeable future. The policy has been changed in line with FRS 19.

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 £2370. 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, 2002

£

2. INTANGIBLE FIXED ASSET

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

Cost at 31.12.2001 and 2002	95750
Amortisation at 31.12.2001	95650
Amortisation at 31.12.2002	95650
Net Book Value at 31.12.2002	100
Net Book Value at 31.12.2001	100

3. TANGIBLE FIXED ASSETS

	<u>Freehold Land</u> £	<u>Buildings etc.</u> £	<u>Plant and Machinery</u> £	<u>Motor Vehicles</u> £	<u>Office Equipment</u> £	<u>Total</u> £
Cost at 31.12.2001	256898	99843	1189281	95847	22801	1664170
Additions		12313	237000	-	-	249313
Disposals			(258335)	-	-	(258335)
Cost at 31.12.2002	256898	112156	1167946	95347	22801	1655148
Depreciation at 31.12.2001		8846	434505	39392	22654	505397
Provision for the year		2316	104924	13990	20	121250
Disposals		-	(139971)	-	-	(139971)
Depreciation at 31.12.2002		11162	399458	53382	22674	486676
Net Book Value at 31.12.2002	256898	100994	768488	41965	127	1168472
Net Book Value at 31.12.2001	256898	90997	754776	55955	147	1158773

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2002

	<u>2002</u>	<u>2001</u>
	£	£
4. <u>INVESTMENT</u>		
Cost at 31.12.2001	50000	50000
Additions	50000	-
	-----	-----
Cost to 31.12.2002	100000	50000
	-----	-----
Market Value at 31.12.2002	92402	47369
	-----	-----
	<u>Due Within One Year</u>	
	<u>2002</u>	<u>2001</u>
	£	£

5. CREDITORS

Bank Loans and Overdrafts	52922	36043
Trade Creditors	64927	146695
Accruals	6510	10120
Taxation and Social Security	106111	20323
Directors Current Account	69008	46175
Corporation Tax	66808	56546
Loan	50000	60000
	-----	-----
	416286	375902
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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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BRAUNCEWELL QUARRIES LIMITED

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NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2002

7. RELATED PARTY TRANSACTIONS

Control

Throughout the period the company was controlled by Mr. and Mrs. 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>2002</u>	<u>2001</u>
The Trustees of Brauncewell Directors Pension Plan	Loan Interest Paid	3850	4871
	Loan Repayment	10000	-
		<u> </u>	<u> </u>