

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, 2003.

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.

10 August 2004

23, Alghitha Road,
Skegness

Walker Smyth & Marshall

WALKER, SMYTH & MARSHALL
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS



BRAUNCEWELL QUARRIES LIMITEDCompany Number: 1034962

	<u>NOTE</u>	£	<u>2003</u>	£	£	<u>2002</u>	£
<u>FIXED ASSETS</u>							
Intangible Assets	2		100			100	
Tangible Assets	3		1334567			1168472	
Investment	4		300000			100000	
			1634667			1268572	
<u>CURRENT ASSETS</u>							
Debtors		351376			228689		
Cash at Bank and in Hand		406528			531334		
			757904		760023		
<u>CREDITORS</u>							
Amounts falling due within one year		579816			416286		
<u>NET CURRENT ASSETS</u>							
			178088			343737	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>							
			1812755			1612309	
<u>PROVISION FOR LIABILITIES AND CHARGES</u>							
			179780			156517	
<u>NET ASSETS</u>							
			1632975			1455792	
<u>CAPITAL AND RESERVES</u>							
Called Up Share Capital	5		110			110	
Profit and Loss Account			1632865			1455682	
<u>SHAREHOLDERS FUNDS</u>							
			1632975			1455792	

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 on29th July, 2004.....

and signed on its behalf by  Director

BRAUNCEWELL QUARRIES LIMITED

Company Number: 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2003

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.

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 £2160. There were no amounts outstanding at the balance sheet date.

BRAUNCEWELL QUARRIES LIMITEDCompany No. 1034962NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 20032. INTANGIBLE FIXED ASSET

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

Cost at 31.12.2002 and 2003	95750
	—
Amortisation at 31.12.2002	95650
	—
Amortisation at 31.12.2003	95650
	—
Net Book Value at 31.12.2003	100
	—
Net Book Value at 31.12.2002	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 31.12.2002	256898	112156	1167946	95347	22801	1655148
Additions			365872	35475	13867	415214
Disposals			(139000)	(32950)	-	(171950)
	—	—	—	—	—	—
Cost at 31.12.2003	256898	112156	1394818	97872	36668	1898412
	—	—	—	—	—	—
Depreciation at 31.12.2002		11162	399458	53382	22674	486676
Provision for the year		3547	115530	14070	4642	137789
Disposals			(39840)	(20780)		(60620)
		—	—	—	—	—
Depreciation at 31.12.2003		14709	475148	46672	27316	563845
		—	—	—	—	—
Net Book Value at 31.12.2003	256898	97447	919670	51200	9352	1334567
	—	—	—	—	—	—
Net Book Value at 31.12.2002	256898	100994	768488	41965	127	1168472
	—	—	—	—	—	—

BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2003

	<u>2003</u> £	<u>2002</u> £
4. <u>INVESTMENT</u>		
Cost at 31.12.2002	100000	50000
Additions	200000	50000
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Cost to 31.12.2003	300000	100000
	-----	-----
Market Value at 31.12.2003	298796	92402
	-----	-----
5. <u>CREDITORS</u>		
	<u>Due within one year</u>	<u>2003</u> £
	<u>2002</u> £	
Bank Loans and Overdrafts	107438	52922
Trade Creditors	218198	64927
Accruals	3660	6510
Taxation and Social Security	79935	106111
Directors Current Account	76648	69008
Corporation Tax	43937	66808
Loan	50000	50000
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	579816	416286
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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
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Issued and Fully Paid

110 Ordinary Shares of £1 each	110	110
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BRAUNCEWELL QUARRIES LIMITED

Company No. 1034962

NOTES TO THE ACCOUNTS for the year ended 31ST DECEMBER, 2003

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>2003</u>	<u>2002</u>
The Trustees of Brauncewell Directors Pension Plan	Loan Interest Paid	3336	3850
	Loan Repayment	-	10000