

Parkburn Limited

Report and Financial Statements for the 52 weeks ended 24 March 2007



Registered in Scotland SC133821

Parkburn Limited

Parkburn Limited

Report and Financial Statements for the 52 weeks ended 24 March 2007

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Parkburn Limited

Directors' Report for the 52 weeks ended 24 March 2007

The Directors present their report and the audited financial statements for the 52 weeks ended 24 March 2007

Principal activities

The principal activities of the Group are the mining and sale of coal. There have been no changes in the principal activities during the year.

Review of business and future developments

Coal production for the year was 2.8 million tonnes, 0.2 million tonnes behind budget as a result of production difficulties at flooded sites following a period of exceptional adverse weather during the winter and also due to unforeseen geotechnical problems at Powharnal.

The Group's two year recovery plan has been successfully implemented and the benefits of revised coal contract pricing and greater control over operating costs are being realised.

The Directors are satisfied that the Group has adequate resources to continue with operations for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

Results and dividends

The consolidated profit and loss account for the 52 weeks is set out on page 6. Continuing operations produced a loss before tax on ordinary activities for the year of £63,000 (2006: loss £1,454,000) on sales of £110,762,000 (2006: £148,852,000), no dividend is proposed (2006: nil) and the whole amount is transferred from reserves.

Financial risk management

As part of its business operations, the Company is exposed to risks arising from fluctuations in interest rates, gas oil prices, exchange rates and coal prices. The Company's policy is not to trade in derivative financial instruments (derivatives) but to use derivatives to manage exposures of this type.

The Company's exposure to interest rate risk arising from the floating rate term loan facility has been hedged through the use of a combination of interest rate swap and fixed LIBOR rates. The Company's exposure to fluctuations in the gas oil price has been hedged through use of a UK sterling gas oil index swap. The Company's foreign exchange exposure is managed through the use of foreign currency UK bank accounts and where the Company has sales arrangements that are linked to international coal prices these are hedged through the use of a UK sterling coal forward swap.

Key performance indicators

The Board of Directors and the management team regularly monitor the operating performance of the Group through the use of key performance indicators (KPIs). These KPIs include sales price per gigajoule, sales price per tonne, operating cost per tonne of coal produced, health and safety reportable incidents, profit and cash performance.

Parkburn Limited

Directors' Report for the 52 weeks ended 24 March 2007

Directors

The Directors who served during the financial year were as follows

Colin Cornes
Patrick Smyth

Employees

It is the policy of the Group to consult on and discuss with employees matters likely to affect their interests and to improve communications with all employees across the Group. This is being achieved through corporate presentations to both unions and employees. Progress is being reviewed on a regular basis with the intention of enhancing the quality of information.

The Group continues to encourage and develop every employee to realise their full potential with equal opportunity for all.

It is also the policy of the Group to give full consideration to suitable applicants for the employment of disabled persons and for employees who become disabled to continue in their employment by retraining for suitable alternative positions within the Group.

Charitable donations and political contributions

The contributions made by the Group during the financial year for charitable purposes were £14,580 (2006 £24,347). There were no donations to political parties (2006 nil).

Community involvement

The Directors recognise that the Group is part of and has responsibilities to the communities in which it is working and continues to support those communities, not only in terms of jobs and wealth creation, but in fostering involvement and high standards across a range of areas including sport, education and health.

Share purchase

In September 2006, the Company undertook a share purchase of 3,738,851 of 'A' class shares in Scottish Resources Group Limited (formerly Mining (Scotland) Limited) at a nominal value of 50p each, for consideration of £1 each. This had an effect of increasing the Company's stake in Scottish Resources Group Limited from 64.59% to 66.07%.

Post balance sheet events

Subsequent to the year end, the Company entered into a contract on 28 August 2007 with Infinis Limited to sell the entire share capital of Scottish BioFuels Limited. This contract was subject to Shareholder approval which was obtained on 26 September 2007 and sale proceeds were received by the Company on 27 September 2007.

A number of changes to the UK Corporation tax system were announced in the March 2007 Budget Statement and have been enacted in the 2007 Finance Act, or are expected to be enacted in the 2008 Finance Act. The changes had not been substantively enacted at the balance sheet date.

Parkburn Limited

Directors' Report for the 52 weeks ended 24 March 2007

and, therefore, are not included in these financial statements

The effects of the changes enacted in the Finance Act 2007 would be to reduce the deferred tax asset recognised at 24 March 2007 by £1.4 million. The reduction of deferred tax which would be provided is due to a reduction in the corporation tax rate from 30 percent to 28 percent with effect from 1 April 2008.

On 5 November 2007 7,000,000 of Ordinary 'A' Shares were issued for cash. The nominal value of these shares was £3,500,000 and the consideration received was £14,000,000.

Statement of Directors' responsibilities

The Directors are required by UK company law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that year.

The Directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 24 March 2007. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

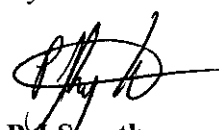
Auditors and disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each Director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the Director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

By order of the Board



P.J. Smyth
Company Secretary
20 March 2008

Parkburn Limited

Independent Auditors' Report to the Members of Parkburn Limited

We have audited the Group and parent company financial statements of Parkburn Limited for the 52 weeks ended 24 March 2007, which comprise the consolidated profit and loss account, the statement of Group total recognised gains and losses, the Company's and Group's balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices) are set out in the 'Statement of Directors' responsibilities'.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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 other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Directors in the preparation of the financial statements, 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 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.

Parkburn Limited

Independent Auditors' Report to the Members of Parkburn Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 24 March 2007 and of the Group's loss and cash flows for the 52 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

A handwritten signature in black ink, reading "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh
20 March 2008

Parkburn Limited

Consolidated Profit and Loss Account for the 52 weeks ended 24 March 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	110,762	148,852
Cost of sales		(100,342)	(149,319)
Gross profit / (loss)		<u>10,420</u>	<u>(467)</u>
Net operating expenses	3	(9,068)	(8,928)
Operating profit / (loss)	4	<u>1,352</u>	<u>(9,395)</u>
Gain on sale of fixed assets	7	2,629	16,399
Interest receivable	8	583	160
Interest payable and similar charges	9	(4,332)	(5,080)
Other finance charges	31	(295)	(630)
Profit / (loss) on ordinary activities before taxation		<u>(63)</u>	<u>1,454</u>
Tax (charge) / credit	10	(445)	3,891
Profit / (loss) on ordinary activities after taxation		<u>(508)</u>	<u>5,345</u>
Minority interest	12	(14)	(2,090)
Retained (loss) / profit for the year	23	<u>(522)</u>	<u>3,255</u>

All operations are continuing

There is no difference between the (loss) / profit on ordinary activities before taxation and the retained (loss) / profit for the year stated above, and their historical cost equivalents

Parkburn Limited

Statement of Group Total Recognised Gains and Losses for the 52 weeks ended 24 March 2007

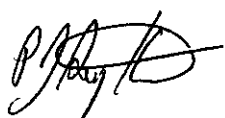
	Notes	2007 £'000	2006 £'000
Retained (loss) / profit for the financial year		(522)	3,255
Actuarial gain/(loss) on pension scheme	31	1,232	(1,724)
Corporation tax relief on actuarial loss (30%)			517
Deferred tax on deferred tax on actuarial gain		(370)	
Total recognised gain relating to the financial year		<u>340</u>	<u>2,048</u>

Parkburn Limited

Balance Sheets as at 24 March 2007

		Group		Company	
		2007	2006	2007	2006
	Notes	£'000	£'000	£'000	£'000
Assets					
Fixed assets					
Intangible assets	13	7,246	7,823		
Tangible assets	14	68,543	55,430		
Investments	15			7,366	3,628
		<u>75,789</u>	<u>63,253</u>	<u>7,366</u>	<u>3,628</u>
Current assets					
Stocks	16	52,217	47,667		
Debtors amounts falling due after more than one year	17	32,778	34,620		
Debtors amounts falling due within one year	17	10,911	10,474		
Cash at bank and in hand		1	1	1	1
		<u>95,907</u>	<u>92,762</u>	<u>1</u>	<u>1</u>
Creditors , amounts falling due within one year	18	(51,068)	(52,443)	(2)	(2)
Net current assets / (liabilities)		<u>44,839</u>	<u>40,319</u>	<u>(1)</u>	<u>(1)</u>
Total assets less current liabilities		<u>120,628</u>	<u>103,572</u>	<u>7,365</u>	<u>3,627</u>
Creditors : amounts falling due after more than one year	19	(40,029)	(37,413)	(4,878)	(1,140)
Provisions for liabilities and charges	20	(43,219)	(44,895)		
Net assets: excluding pension liability		<u>37,380</u>	<u>21,264</u>	<u>2,487</u>	<u>2,487</u>
Pension liability	31	(8,513)	(10,853)		
Net assets		<u>28,867</u>	<u>10,411</u>	<u>2,487</u>	<u>2,487</u>
Capital and reserves					
Called up share capital	22	2,501	2,501	2,501	2,501
Revaluation reserve	23	10,884			
Profit and loss account	23	6,185	5,847	(14)	(14)
Shareholders' funds	24	<u>19,570</u>	<u>8,348</u>	<u>2,487</u>	<u>2,487</u>
Minority interest	25	9,297	2,063		
Total funds employed		<u>28,867</u>	<u>10,411</u>	<u>2,487</u>	<u>2,487</u>

The financial statements on pages 6 to 32 were approved by the Board of Directors on 20 March 2008 and were signed on its behalf by



Patrick Smyth
Director

Parkburn Limited

Consolidated Cash Flow Statement for the 52 weeks ended 24 March 2007

	Notes	2007 £'000	2006 £'000
Net cash inflow / (outflow) from operating activities	26	<u>2,909</u>	<u>(7,524)</u>
Returns on investments and servicing of finance			
Interest received		86	160
Interest paid		(3,539)	(3,740)
Net cash outflow from returns on investments and servicing of finance		<u>(3,453)</u>	<u>(3,580)</u>
Taxation		9	
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(4,250)	(4,391)
Sale of tangible fixed assets		5,311	21,554
Net cash inflow from capital expenditure and financial investment		<u>1,061</u>	<u>17,163</u>
Net cash (outflow) / inflow before financing		<u>526</u>	<u>6,059</u>
Financing			
Sale and finance lease back		3,582	
Capital payments under finance leases		(4,489)	(5,867)
Drawdown of term bank loan			12,500
Repayment of term bank loan		(2,500)	
Minority interest share purchase		1,262	
Net cash (outflow) / inflow from financing		<u>(2,145)</u>	<u>6,633</u>
(Decrease) / increase in cash	27	<u>(1,619)</u>	<u>12,692</u>

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

1. Principal accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. Long term debtors, creditors and long term provisions have been discounted to reflect their net present value. The Group operates a 4,4,5 weeks quarterly reporting cycle for its financial reporting, with reporting periods ending on a Saturday. Accordingly this set of annual results has been prepared for the 52 weeks ended 24 March 2007. A summary of principal accounting policies is set out below.

Going concern

The Directors consider that the going concern basis of preparation continues to be appropriate based on cash flow forecasts and available resources.

Basis of consolidation

The consolidated profit and loss account, balance sheet and cash flow statement include the financial statements of the Company and its subsidiary undertakings for the 52 weeks ending 24 March 2007. Intra Group sales and profit are eliminated fully on consolidation. Increases in stake are accounted in accordance with FRS2 'Subsidiary Undertakings'.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Coal sales invoices are raised at the date the supplies reach their point of delivery.

Goodwill and intangible assets

Goodwill arising represents the excess of fair value of the net assets acquired. In accordance with FRS10, 'Goodwill and intangible assets', the existing balance of the goodwill reserve was set against the consolidated profit and loss account reserve. Any future goodwill arising will be capitalised in the year of acquisition and amortised on a systematic basis over its useful economic life. The carrying value of goodwill and other intangible assets will be reviewed as necessary for impairment and a write down in carrying value is made where impairment is identified.

Licences are capitalised at purchase cost and amortised over an estimated useful economic life of 5 years.

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

Tangible fixed assets and depreciation

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Freehold land is not depreciated. The cost, less estimated residual value, of other tangible fixed assets is written off by equal instalments over their expected useful lives as indicated below:

	Years
Freehold buildings	50
Mines and surface works	up to 20
Plant, machinery and equipment	5 to 12
Motor vehicles	3 to 5

Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease.

Deferred opencast expenditure

Other than recoverable land purchase costs, opencast expenditure incurred prior to the commencement of working opencast sites is capitalised and charged to the profit and loss account over the coaling life of the site on a coal extraction basis.

Investments

Investments are stated at cost less any provisions for impairment.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a constant periodic rate of charge on the remaining balance of the obligation for each accounting period. Rentals paid under operating leases are charged against income as incurred.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Appropriate provisions are made for obsolete and redundant stores.

Work in progress represents the cost of transferring both sub soil and muck to the tip above ground. These costs are expensed over the life of the site on a coal extraction basis.

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

Restoration and closure costs

The total costs of reinstatement of soil excavation and of surface restoration are recognised as a provision at site commissioning when the obligation arises. The amount provided represents the present value of the expected costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year. An asset is created for an amount equivalent to the initial provision. This is charged to the profit and loss account on a coal extraction basis over the life of a site.

Pension costs

The Group operates a defined contribution scheme for the majority of staff, pension contributions to this scheme are expensed as incurred.

The Group contributes, in respect of those employees transferred direct from The British Coal Corporation, to two pension schemes providing benefits based on final pensionable pay, the Industry Wide Coal Staff Superannuation Scheme for non industrial staff, officials and weekly paid staff and the Industry Wide Mineworkers' Pension Scheme for other industrial employees. The assets of the schemes are held separately from those of the Group, being funds administered by Trustees to the schemes. These schemes are accounted for under FRS17, 'Retirement benefits'.

Deferred taxation

Deferred taxation is provided on an undiscounted basis in respect of all timing differences that have originated but not reversed by the balance sheet date, where there is an obligation to pay more or less in the future as a result of the reversal of those timing differences.

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Segmental and geographical analysis

The Directors consider that all operations arise from coal mining. All net assets are located in the United Kingdom. A geographical analysis of turnover is as follows:

	2007 £'000	2006 £'000
United Kingdom	<u>110,762</u>	<u>148,852</u>

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

3. Net operating expenses

	2007 £'000	2006 £'000
Administrative expenses	9,826	9,158
Amortisation of intangible fixed assets	548	577
Less other operating income	(1,306)	(807)
Total operating expenses	<u>9,068</u>	<u>8,928</u>

4. Operating profit / (loss)

	2007 £'000	2006 £'000
Operating profit / (loss) is stated after charging		
Depreciation		
Tangible fixed assets under finance leases	2,225	2,826
Tangible owned fixed assets	4,127	7,251
Amortisation of intangible fixed asset	548	557
Auditors remuneration for		
Audit Group	117	83
Audit Company	2	2
Taxation services	37	35
Pensions advisory	39	
Consultancy services	202	123
Hire of plant and machinery	10,786	7,944
Operating lease charges – plant and machinery	4,175	3,799

5. Employee information

The average monthly number of persons (including executive Directors) employed by the Group during the year was

	2007 No	2006 No
Mining operations	654	789
Administrative staff	<u>43</u>	<u>56</u>
	<u>697</u>	<u>845</u>

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

	2007 £'000	2006 £'000
Staff costs		
Wages and salaries	23,017	27,533
Social security costs	2,217	2,727
Pensions (note 31)	1,078	1,440
	<u>26,312</u>	<u>31,700</u>
6. Directors' emoluments		
The Directors did not receive any remuneration for their services to the Company during the financial year (2006 nil)		
7. Gain on sale of fixed assets		
Gain on sale of fixed assets in 2007 is due to the sale of plant and machinery and motor vehicles In 2006 the gain on sale of fixed assets was mainly due to the sale of two opencast coaling sites		
8. Interest receivable		
	2007 £'000	2006 £'000
Other interest	86	160
Increase in discount on provisions (note 20)	497	
	<u>583</u>	<u>160</u>
9. Interest payable and similar charges		
	2007 £'000	2006 £'000
Unwinding of discount on provisions (note 20)	2,247	1,340
Interest payable on bank loans and overdrafts	3,091	3,213
Interest payable on hire purchase contracts	392	513
Other interest payable	(1,398)	14
	<u>4,332</u>	<u>5,080</u>

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

10. Tax on loss on ordinary activities

	2007 £'000	2006 £'000
United Kingdom corporation tax charge at 30%		(518)
Deferred tax credit	(445)	4,409
Total tax (charge) / credit	<u>(445)</u>	<u>3,891</u>

The difference between the tax credit on ordinary activities for the year, reported in the profit and loss account, and the tax credit that would result from applying a relevant standard rate of tax to the loss on ordinary activities before tax, is explained as follows

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(63)	(1,454)
Standard rate of corporation tax at 30% (2006 30%)	<u>(19)</u>	<u>344</u>
Adjustments		
(a) Expenses not deductible for tax purposes	(179)	(264)
(b) Capital gains covered by brought forward losses	(84)	4,716
(c) Accelerated capital allowances and other timing differences	282	(5,061)
(d) Tax at marginal rates		(1)
(e) Deferred tax asset movement on pension scheme deficit		529
(f) Losses not recognised		(1)
Tax charge for year	<u></u>	<u>(518)</u>

No factors have been identified which may affect future tax charges

11. Profit for the year

As permitted by Section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. The Company's profit was £nil (2006 £2,000 loss)

12. Minority interest

	2007 £'000	2006 £'000
Profit / (loss) on ordinary activities after taxation	(508)	5,345
Add back goodwill amortisation	<u>548</u>	<u>557</u>
	<u>40</u>	<u>5,902</u>
Minority interest	<u>(14)</u>	<u>(2,090)</u>

In September 2006, the minority interest reduced to 33.93% (2006 35.41%), as a result of a share issue when Parkburn Limited acquired 3,738,851 of 'A' class shares and the minority acquired 1,261,149 'B' class shares. All shares were acquired for consideration of £1 per share.

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

13. Intangible assets

Group	Goodwill £'000	Licences £'000	Total £'000
Valuation			
At 26 March 2006 and 24 March 2007	11,145	100	11,245
Additions	(9)		(9)
	<u>11,136</u>	<u>100</u>	<u>11,236</u>
Amortisation			
At 26 March 2006	3,342	80	3,422
Charge for year	548	20	568
At 24 March 2007	<u>3,890</u>	<u>100</u>	<u>3,990</u>
Net book value			
At 24 March 2007	<u>7,246</u>		<u>7,246</u>
At 25 March 2006	<u>7,803</u>	<u>20</u>	<u>7,823</u>

Goodwill of £11,145,000 arose on the acquisition of 63.65% of the share capital of Scottish Resources Group Limited (formerly known as Mining (Scotland) Limited) on 23 March 2000

In September 2006, Parkburn acquired 3,738,851 Ordinary "A" shares in Scottish Resources Group Limited (SRG), for a consideration of £3.7m, increasing the Company's investment in SRG from 64.59% to 66.07%. Parkburn has reflected the increase in the fair value of the underlying assets of SRG since March 2000 in fixed assets. Parkburn's share of this increase is included as a revaluation reserve. The transaction also resulted in negative goodwill of £9,000 which was written off to reserves during the year.

The Company has no intangible assets

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

14. Tangible assets

Group	Land and buildings	Mines and surface works	Plant, machinery and motor vehicles	Deferred opencast expenditure	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 26 March 2006	20,185	3,413	47,548	38,138	109,284
Fair Value Adjustment	16,851				16,851
Additions	272		3,019	2,004	5,295
Disposals	(646)		(7,345)		(7,991)
At 24 March 2007	36,662	3,413	43,222	40,142	123,439
Depreciation					
At 26 March 2006	1,983	2,599	29,195	20,077	53,854
Provided during the year	160	93	4,045	2,054	6,352
Disposals	(38)		(5,272)		(5,310)
At 24 March 2007	2,105	2,692	27,968	22,131	54,896
Net book value					
At 24 March 2007	34,557	721	15,254	18,011	68,543
At 25 March 2006	18,202	814	18,353	18,061	55,430

In accordance with normal accounting practices, the Directors do not include an amount in fixed assets valuing reserves of coal

Assets held under finance leases and capitalised in plant, machinery and motor vehicles,

	2007 £'000	2006 £'000
Cost	14,055	16,073
Aggregate depreciation	(6,903)	(6,386)
	<u>7,152</u>	<u>9,687</u>

The Company has no tangible fixed assets

15. Fixed assets investments

Fixed asset investments relate to the Company's investment in Scottish Resources Group Limited (formerly known as Mining (Scotland) Limited)

	2007 £'000	2006 £'000
Investment in Group undertakings	<u>7,366</u>	<u>3,628</u>

The Company holds 66.07% (2006 64.59%) of the nominal value of shares, being ordinary 50p shares

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

The following companies are subsidiaries of Scottish Resources Group Limited and the percentage of shares held by the Group at 24 March 2007 and 25 March 2006

Name of undertaking	Incorporated	Shares	% of shares
The Scottish Coal Company Limited	Scotland	Ordinary £1 shares	66.07%
Castlebridge Plant Limited	Scotland	Ordinary £1 shares	66.07%
Game Fisheries Limited	Scotland	Ordinary 6 ² / ₃ p shares	66.07%
Scottish Coal Contracts Limited	Scotland	Ordinary £1 shares	66.07%
Alba Resource Recovery Limited	Scotland	Ordinary £1 shares	66.07%
Scottish BioFuel Limited	Scotland	Ordinary £1 shares	66.07%
SRG Estates Limited	Scotland	Ordinary £1 shares	66.07%
Mining (Scotland) Trustees (UK) Limited	Scotland	"A" Ordinary shares	48.89%
Mining (Scotland) Trustees Jersey Limited	Jersey	"A" Ordinary shares	48.89%

The Scottish Coal Company Limited operates principally in Scotland. Its principal business activity is the mining and sale of coal.

Castlebridge Plant Limited operates principally in Scotland. Its principal business is plant hire.

Game Fisheries Limited operates in Scotland. Its principal activity is the management of lochs and farming.

Scottish Coal Contracts Limited operates principally in England. Its principal business activity is the mining of coal.

Alba Resource Recovery Limited operates principally in Scotland. Its principal business is the recycling of waste.

Scottish BioFuel Limited operates in Scotland. Its principal business is trading in biomass.

SRG Estates Limited (formerly known as G2 Energy Limited) operates principally in Scotland. Its principal business is to develop and sell estates assets owned by the Group.

Mining (Scotland) Trustees (UK) Limited operates as the trustee of the Mining (Scotland) Limited Profit Sharing Scheme and holds the "free" shares which were allocated to each of the employee participants in the scheme.

Mining (Scotland) Trustees Jersey Limited was constituted as trustee of an option granted by certain shareholders permitting the trustee to acquire shares for employees as directed by such employees.

16. Stocks and work in progress

Group	2007 £'000	2006 £'000
Coal stocks	2,849	5,507
Spares and consumables	2,877	2,926
Work in progress	46,491	39,234
	<u>52,217</u>	<u>47,667</u>

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

In addition to the above the Group held consignment stock amounting to £521,381 (2006 £351,000) on behalf of suppliers

The Company has no stock and work in progress

17. Debtors

Group	2007 £'000	2006 £'000
Amounts falling due after more than one year		
Restoration and closure asset	15,716	17,749
Deferred tax asset (note 21)	17,062	16,871
	<u>32,778</u>	<u>34,620</u>
Amounts falling due within one year		
Restoration and closure asset	2,133	2,159
Trade debtors	6,411	7,310
Corporation tax receivable		9
Other debtors	1,471	23
Prepayments and accrued income	897	973
	<u>10,911</u>	<u>10,474</u>

The Company has no debtors

18. Creditors: amounts falling due within one year

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank overdraft	11,885	10,266		
Trade creditors	14,180	12,386		
Other taxation and social security	5,861	6,219		
Other creditors	787	896		
Obligations under finance leases (note 19)	3,206	4,441		
Bank loan (note 19)	5,000	5,000		
Accruals and deferred income	10,147	13,235	2	2
	<u>51,068</u>	<u>52,443</u>	<u>2</u>	<u>2</u>

The overdraft facility is secured by fixed and floating charges over the assets of the Scottish Resources Group Limited (formerly Mining (Scotland) Limited) and its subsidiaries, The Scottish Coal Company Limited, Scottish Coal Contracts Limited and Castlebridge Plant Limited. Interest is charged at a rate linked to LIBOR.

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
DTI deferred consideration	4,593	4,593		
Bank loan	27,500	30,000		
Obligations under finance leases (note 18)	3,058	1,680		
Other creditors	4,878	1,140	4,878	1,140
	<u>40,029</u>	<u>37,413</u>	<u>4,878</u>	<u>1,140</u>

The DTI deferred consideration is constituted by a promissory note and secured by way of floating charge over the assets of Scottish Resources Group Limited and of its subsidiary, The Scottish Coal Company Limited, as well as a prior ranking fixed charge over one opencast site. Interest is charged at a rate linked to LIBOR.

The term loan facility is for £35,000,000 of which £32,500,000 was outstanding at the year end. Interest is payable at a rate linked to LIBOR. The loan is secured by both prior ranking fixed charges and floating charges.

	2007	2006
	£'000	£'000
In the first year (note 18)	5,000	5,000
In the second to fifth years	<u>27,500</u>	<u>30,000</u>
	<u>32,500</u>	<u>35,000</u>

Obligations under finance leases and hire purchase agreements are repayable over varying years by monthly or quarterly instalments as follows:

	2007	2006
	£'000	£'000
In the first year (note 18)	3,206	4,441
In the second to fifth years	<u>3,058</u>	<u>1,680</u>
	<u>6,264</u>	<u>6,121</u>

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

20. Provisions for liabilities and charges

	Restoration, closure and claims costs £'000	Provision for surface damage £'000	Total £'000
As at 26 March 2006	44,722	173	44,895
Released in year	(1,391)		(1,391)
Utilised in year	(2,035)		(2,035)
Unwinding of discount	2,247		2,247
Increase in discount	(497)		(497)
As at 24 March 2007	<u>43,046</u>	<u>173</u>	<u>43,219</u>

In accordance with FRS12 a brief description of the nature of the Group's obligations, the expected timing of resulting outflows of economic benefit and an indication of the uncertainties surrounding each of the above provisions is provided below

Restoration, closure and claims costs opencast relate to the total costs of reinstatement, of soil excavation and of surface restoration such as topsoil replacement and landscaping. Restoration costs are payable in part progressively during the coaling, and in full following completion of the individual sites. Payments against aftercare liabilities, which follow completion of coaling on individual sites, are expected to be over the next 10 years. Claims provisions relate to opencast operations where sites owned by the Group are mined by external contractors. Where mining conditions vary from those specified in the contract, the external contractors may believe they are entitled to claim for further costs incurred. The Group is now primarily self-operating sites and the exposure to contractor claims is substantially reduced. Certain claims have now been settled and it is considered that the remaining liability is immaterial and therefore the provision is combined with the restoration and closure costs.

Surface damage provision relates to the Group's liability to repair all subsidence damage arising from past mining operations. Surface damage claims can be lodged by the public up to six years after mining, and payment will occur once a claim is settled. The volume and size of claims varies according to the nature of surface development (e.g. agricultural or residential area). Costs are estimated based on historical claims experience following a detailed assessment of the nature of the damage foreseen and agreed with The Coal Authority.

The Company has no provisions for liabilities and charges.

Parkburn Limited

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

21. Deferred taxation

Group

Deferred taxation assets recognised in the financial statements comprises

	2007 £'000	2006 £'000
Capital allowances	14,861	15,890
Losses	1,559	74
On provision and other items	642	907
Total asset	<u>17,062</u>	<u>16,871</u>
Deferred tax on pension liability (note 31)	<u>3,649</u>	<u>4,651</u>
	<u>20,711</u>	<u>21,522</u>

The unprovided amounts of deferred taxation assets for timing differences are as follows

	2007 £'000	2006 £'000
On provisions and other items	<u>2,874</u>	<u>3,081</u>
Total asset	<u>2,874</u>	<u>3,081</u>

Company

No deferred taxation has been provided in the Company accounts (2006 nil)

There are no unprovided amounts of deferred taxation for timing differences in the Company accounts (2006 nil)

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

22. Share capital

Group and Company	2007 £'000	2006 £'000
Authorised share capital		
2,501,000 (2006 2,501,000) "A" Ordinary shares of £1 each	2,501	2,501
101,728 (2006 101,728) "B" Ordinary shares of 1p each	<u>1</u>	<u>1</u>
	<u>2,502</u>	<u>2,502</u>
Issued, called up and fully paid		
2,500,002 (2004 2,500,002) "A" Ordinary shares of £1 each	2,500	2,500
101,728 (2004 101,728) "B" Ordinary shares of 1p each	<u>1</u>	<u>1</u>
	<u>2,501</u>	<u>2,501</u>

The "B" ordinary shares have no voting rights, carry no dividend and provide no rights in a winding up

23. Reserves

Profit and loss account

	Group £'000	Company £'000
At 26 March 2006	5,847	(14)
Retained profit / (loss) for the year after minority interest	(522)	
Actuarial loss on pension scheme	1,230	
Deferred tax on excess pension contributions	<u>(370)</u>	
At 24 March 2007	<u>6,185</u>	<u>(14)</u>

Revaluation reserve

	Group £'000	Company £'000
At 26 March 2006		
Addition in year	<u>10,884</u>	
At 24 March 2007	<u>10,884</u>	

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

24. Reconciliation of movements in shareholders' funds

Group	2007 £'000	2006 £'000
Profit / (loss) for the year	(522)	3,255
Actuarial loss on pension scheme	1,232	(1,724)
Deferred tax relating to pension scheme	(370)	517
Net increase / (reduction) relating to the shareholders' funds	340	2,048
Opening shareholders' funds	8,348	6,300
Revaluation reserve	10,882	
Closing shareholders' fund	<u>19,570</u>	<u>8,348</u>
Company		
	2007 £'000	2006 £'000
Opening shareholders' funds	2,487	2,489
Loss for the year		(2)
Closing shareholders' funds	<u>2,487</u>	<u>2,487</u>

25. Minority interest

	2007 £'000	2006 £'000
Opening minority interest	2,063	(27)
Loss for year apportioned to minority interest (see note 12)	14	2,090
Increase due to SRG fair value exercise	5,967	
Increase due to share purchase	1,253	
Closing minority interest	<u>9,297</u>	<u>2,063</u>

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

26. Reconciliation of operating profit / (loss) to net cash flow from operating activities

	2007 £'000	2006 £'000
Operating profit / (loss)	1,352	(9,395)
Amortisation of intangible fixed asset	568	577
Depreciation of tangible fixed assets	6,352	10,077
Difference between pension charge and cash contributions	(2,405)	(4,097)
Increase in stocks	(4,550)	(6,124)
Decrease in debtors	1,587	4,171
Increase in creditors	3,431	3,822
Decrease / (increase) in provisions	(3,426)	(6,555)
Net cash inflow / (outflow) from operating activities	<u>2,909</u>	<u>(7,524)</u>

27. Reconciliation of net cash flow to movements in net debt

	2007 £'000	2006 £'000
(Decrease) / increase in cash in the period	(1,619)	12,692
Cash outflow / (inflow) from change in debt	<u>3,810</u>	<u>(7,733)</u>
Movement in net debt in the period	2,191	4,959
Opening net debt	<u>(57,433)</u>	<u>(62,392)</u>
Closing net debt	<u>(55,242)</u>	<u>(57,433)</u>

28. Analysis of net debt

	2006 £'000	Cash Flow £'000	Non cash charges	2007 £'000
Bank overdraft	(10,266)	(1,619)		(11,885)
Bank loan	<u>(35,000)</u>	<u>2,500</u>		<u>(32,500)</u>
	(45,266)	881		(44,385)
DTI deferred consideration				
principal	(4,593)			(4,593)
accrued interest	<u>(1,453)</u>		1,453	
	(6,046)		1,453	(4,593)
Hire purchase agreements	<u>(6,121)</u>	<u>(143)</u>		<u>(6,264)</u>
Total	<u>(57,433)</u>	<u>738</u>	<u>1,453</u>	<u>(55,242)</u>

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

29. Contingent liabilities

	2007 £'000	2006 £'000
Indemnities for performance bonds	16,698	21,091
Guarantees in favour of The Coal Authority	1,657	1,607
Other guarantees	770	995
	<u>19,125</u>	<u>23,693</u>

The performance bonds and guarantees in favour of The Coal Authority consist of restoration and aftercare agreements entered into in the normal course of business. Other guarantees relate to property transactions entered into in the normal course of business.

The Group is subject to various claims and legal actions in the ordinary course of business, for which provision is made in the financial statements, where appropriate, on the basis of the information currently available. The Directors do not expect that the outcome of such issues will materially affect the financial position.

30. Financial commitments

At 24 March 2007 the Group had annual commitments under non cancellable operating leases for plant and machinery expiring as follows:

	2007 £'000	2006 £'000
Within 1 year	936	1,830
During 1 to 2 years	156	2,145
During 2 to 5 years	329	150
	<u>1,421</u>	<u>4,125</u>

Notes to the Financial Statements for the 52 weeks ended 24 March 2007**31. Pension schemes****Defined contribution scheme**

The majority of employees are members of a defined contribution scheme. Pension assets are held separately from those of the Group. The pension cost charge represents contributions payable by the Group to the scheme. The Group has no liability other than to pay their contributions when due. No contributions were outstanding at the year end.

	2007 £'000	2006 £'000
Defined contribution scheme	<u>825</u>	<u>994</u>

Defined benefit scheme

In addition the Group has two closed defined benefit schemes. The Industry Wide Coal Staff Superannuation Scheme (IWCSSS) and the Industry Wide Mineworkers' Pension Scheme (IWMPS), both of which commenced on privatisation following the Coal Industry Act 1994.

Actuarial valuations of each scheme were undertaken by the Government Actuary's Department at 31 December 2003 using the projected unit method. The main assumption underlying both schemes is a long term gross investment return on scheme assets of 7%, which will exceed the annual rate of increase in pensionable salaries and price inflation by 3.87% and 3.87% respectively. Pensions are expected to increase in line with price inflation.

The aggregate market value of the assets of The Scottish Coal Company Limited sub fund at the valuation date was £12.3 million for the IWMPS and £10.5 million for the IWCSSS. The aggregate funding level on an ongoing basis was 67% and 81% respectively.

The Actuary's report on the valuation as at 31 December 2003 estimates that the employer rates of both schemes will increase to meet the valuation on an ongoing basis. The estimated new rates are 15.5% for the IWMPS and 17.3% for the IWCSSS. The Pensions Act 1995 Minimum Funding Requirement provisions require the ratio of assets to liabilities to be assessed on a prescribed basis. Under this valuation, both schemes are under provided at 60% and 60% respectively.

The deficits relate to the entire sub funds for both IWMPS and IWCSSS of The Scottish Coal Company Limited, this includes some members who were previously employed by The Scottish Coal (Deep Mine) Company Limited. The Directors of The Scottish Coal Company Limited and Scottish Resources Group Limited are currently investigating whether either a particular Company or the Group are responsible for the liability associated with these sub funds. While these investigations are ongoing Scottish Resources Group Limited has provided for the deficit payments.

Full actuarial valuations of each scheme were carried out by the Government Actuary's Department at 31 December 2003 using the projected unit method and updated to 24 March 2007, with the following principal assumptions for both schemes,

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

IWCSSS and IWMPs Combined

	2007	2006	2005
Rate of price inflation	3.2%	3.0%	3.0%
Rate of increase in salaries	3.2%	3.0%	3.0%
Rate of increase in pensions in payment	3.2%	3.0%	3.0%
Rate of increase in pensions in deferment	3.2%	3.0%	3.0%
Discount rate	5.3%	4.9%	5.5%

The combined assets in the two schemes and the expected rate of return at the financial year end were,

	2007		2006		2005	
	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000
Equities	7.0%	20,353	7.0%	18,913	7.0%	12,912
Bonds	5.3%	16,990	4.9%	15,388	5.5%	12,265
Total market value of assets		37,343		34,301		25,177
Present value of scheme liabilities		(49,505)		(49,805)		(42,443)
Deficit		(12,162)		(15,504)		(17,266)
Related deferred tax asset		3,649		4,651		5,180
Net pension liability		(8,513)		(10,853)		(12,086)

Analysis of the combined amount charged to operating profit

	2007 £000	2006 £000
Current service cost (net of employee contributions)	488	446
Past service cost		
Total operating charge	488	446

Analysis of the amount debited to other finance charges

Expected return on pension scheme assets	2,127	1,686
Interest on pension scheme liabilities	(2,422)	(2,316)
Net return	(295)	(630)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

Actual return less expected return on pension scheme assets	(729)	4,010
Experience loss arising on the scheme liabilities	(60)	(171)
Changes in assumptions underlying the present value of liabilities	2,021	(5,563)
Actuarial gain / (loss) recognised in STRGL	1,232	(1,724)

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

	2007 £000	2006 £000
Movement in deficit during the year		
Deficit at beginning of year	(15,504)	(17,266)
Current service cost (including employee contributions)	(575)	(538)
Contributions	2,980	4,654
Other finance charges	(295)	(630)
Actuarial gain / (loss)	1,232	(1,724)
Deficit at end of year	<u>(12,162)</u>	<u>(15,504)</u>

History of gains and losses for the two schemes combined recognised in the STRGL,

	2007	2006	2005	2004
Actual less expected return on assets				
Amount £000	(729)	4,010	788	2,881
Percentage of scheme assets	2%	12%	3%	13%
Experience loss on scheme liabilities				
Amount £000	(60)	(171)	(335)	(102)
Percentage of scheme liabilities	0%	0%	1%	0%
Total amount recognised in the STRGL				
Amount £000	1,232	(1,724)	(4,499)	764
Percentage of scheme liabilities	3%	(4%)	(11%)	2%

IWMPS

The assets in the IWMPS scheme and the expected rate of return at the financial year end were,

	2007		2006		2005	
	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000
Equities	7.0%	10,563	7.0%	9,936	7.0%	6,948
Bonds	5.3%	8,739	4.9%	8,113	5.5%	6,632
Total market value of assets		19,302		18,049		13,580
Present value of scheme liabilities		<u>(21,967)</u>		<u>(22,630)</u>		<u>(19,556)</u>
Deficit		(2,665)		(4,581)		(5,976)
Related deferred tax asset		800		1,374		1,793
Net pension liability		<u>(1,866)</u>		<u>(3,207)</u>		<u>(4,183)</u>

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Notes to the Financial Statements for the 52 weeks ended 24 March 2007

Analysis of the amount charged to operating profit for the IWMPS scheme

	2007 £000	2006 £000
Current service cost (net of employee contributions)	94	95
Total operating charge	<u>94</u>	<u>95</u>

Analysis of the amount credited / (debited) to other finance income

Expected return on pension scheme assets	1,110	896
Interest on pension scheme liabilities	(1,092)	(1,057)
Net return	<u>18</u>	<u>(161)</u>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

Actual return less expected return on pension scheme assets	(423)	2,149
Experience gain / (loss) arising on the scheme liabilities	129	(284)
Changes in assumptions underlying the present value of liabilities	921	(2,422)
Actuarial gain / (loss) recognised in STRGL	<u>627</u>	<u>(557)</u>

Movement in deficit during the year

Deficit at beginning of year	(4,581)	(5,976)
Current service cost (including employee contributions)	(98)	(101)
Contributions	1,369	2,214
Other finance income / (charges)	18	(161)
Actuarial gain / (loss)	627	(557)
Deficit at end of year	<u>(2,665)</u>	<u>(4,581)</u>

History of gains and losses for the IWMPS scheme recognised in the STRGL,

	2007	2006	2005	2004
Actual less expected return on assets				
Amount £000	(423)	2,149	425	1,524
Percentage of scheme assets	(2%)	12%	3%	13%
Experience gain / (loss) on scheme liabilities				
Amount £000	129	(284)	(91)	(81)
Percentage of scheme liabilities	1%	1%	1%	0%
Total gain / (loss) recognised in the STRGL				
Amount £000	627	(557)	(716)	299
Percentage of scheme liabilities	3%	(3%)	4%	2%

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IWCSSS

The assets in the IWCSSS scheme and the expected rate of return at the financial year end was,

	2007		2006		2005	
	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000	Long term expected rate of return	Value £000
Equities	7.0%	9,790	7.0%	8,977	7.0%	5,964
Bonds	5.3%	8,251	4.9%	7,275	5.5%	5,633
Total market value of assets		18,041		16,252		11,597
Present value of scheme liabilities		(27,538)		(27,175)		(22,887)
Deficit		(9,497)		(10,923)		(11,290)
Related deferred tax asset		2,849		3,277		3,387
Net pension liability		<u>(6,648)</u>		<u>(7,646)</u>		<u>(7,903)</u>

Analysis of the amount charged to operating profit for the IWCSSS

	2007 £000	2006 £000
Current service cost (net of employee contributions)	394	351
Total operating charge	<u>394</u>	<u>351</u>

Analysis of the amount debited to other finance charges

	2007 £000	2006 £000
Expected return on pension scheme assets	1,017	790
Interest on pension scheme liabilities	(1,330)	(1,259)
Net return	<u>(313)</u>	<u>(469)</u>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2007 £000	2006 £000
Actual return less expected return on pension scheme assets	(306)	1,861
Experience (loss) / gain arising on the scheme liabilities	(189)	113
Changes in assumptions underlying the present value of liabilities	1,100	(3,141)
Actuarial gain / (loss) recognised in STRGL	<u>605</u>	<u>(1,167)</u>

Movement in deficit during the year

	2007 £000	2006 £000
Deficit at beginning of year	(10,923)	(11,290)
Current service cost (including employee contributions)	(477)	(437)
Contributions	1,611	2,440
Other finance charges	(313)	(469)
Actuarial gain / (loss)	605	(1,167)
Deficit at end of year	<u>(9,497)</u>	<u>(10,923)</u>

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History of gains and losses for the IWCSSS recognised in the STRGL,

	2007	2006	2005	2004
Actual less expected return on assets				
Amount £000	(306)	1,861	363	1,357
Percentage of scheme assets	(2%)	12%	3%	13%
Experience gain / (loss) on scheme liabilities				
Amount £000	(189)	113	(426)	(21)
Percentage of scheme liabilities	(1%)	0%	2%	0%
Total gain / (loss) recognised in the STRGL				
Amount £000	605	(1,167)	(3,783)	465
Percentage of scheme liabilities	2%	(4%)	(17%)	3%

32. Related Party Disclosures

Related Party	Nature of transactions	Transactions		Year End	
		Sales £'000	Purchases £'000	Debtor £'000	Creditor £'000
Bridgetown Plant Ltd	Plant hire	835	220	245	
Vogue Holdings	Property rental		105		7
Parkhill Estates	Management services	65	286	11	65
Brymbo Development Limited	Plant hire / coal sales	705	175	17	
Alarm Protection Limited	Security		367		30

The above companies are related through the interest of Colin Cornes

Colin Cornes provided an interest free loan to the Company amounting to £4,878,000 as at 24 March 2007 (2006 £1,130,000)

Notes to the Financial Statements for the 52 weeks ended 24 March 2007

33. Ultimate Parent Undertaking

The Directors consider Colin Cornes to be the ultimate controlling party

34. Post Balance Sheet Events

Subsequent to the year end, the Company entered into a contract on 28 August 2007 with Infinis Limited to sell the entire share capital of Scottish BioFuels Limited. This contract was subject to Shareholder approval which was obtained on 26 September 2007 and sale proceeds were received by the Company on 27 September 2007.

A number of changes to the UK Corporation tax system were announced in the March 2007 Budget Statement and have been enacted in the 2007 Finance Act, or are expected to be enacted in the 2008 Finance Act. The changes had not been substantively enacted at the balance sheet date.