Wallace Group Limited

Annual report and financial statements for the year ended 31 May 2009

Registered Number 245921

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Wallace Group Limited

Annual report
for the year ended 31 May 2009

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Wallace Group Limited

Directors and advisers for the year ended 31 May 2009

Directors
H Cairns
A McMillan
H Turnbull
J Turnbull
K Turnbull

Secretary
H Turnbull

Independent auditors
PricewaterhouseCoopers LLP
141 Bothwell Street
Glasgow
G2 7QE

Solicitors

Burness
120 Bothwell Street
Glasgow
G2 7JL

MacRoberts
152 Bath Street
Glasgow
G2 4TB

Levy & McRae
266 St Vincent Street
Glasgow
G2 5RL

Registered office
Wallace House
Whitehouse Road
Stirling
FK7 7TA

Bankers
Clydesdale Bank plc
23 South Methven Street
Perth
PH1 5PQ

Wallace Group Limited

Directors' report for the year ended 31 May 2009

Registered Number 245921

The directors present their report and the audited financial statements for the year ended 31 May 2009.

Business review and principal activities
Wallace Group Ltd ("the company") comprises Stirling Stone Ltd, Toffolo Stirling Ltd, Natstone Developments Ltd, Natural Stone Quarries Ltd, Construction Materials Consultants Ltd and Stone Design Ltd. The company provides a comprehensive design, supply and installation service, throughout the United Kingdom, in all types of stonemasonry from external and internal new-build projects to complex conservation and restoration works.

The directors take into consideration:

- The likely consequences of any decision in the long term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability for the company maintaining a reputation for high standards of business conduct.
- The need to act fairly as between the company's members.

The results for the company show a pre-tax loss of £104,357 (2008: profit £230,000) for the year and sales of £6,898,622 (2008: £7,430,000). The consolidated profit and loss account for the year is set out on page 6.

The company has net funds of £523,000 (2008: £1,115,000).

Future outlook
The market place, throughout the United Kingdom, is very competitive. The level and quality of enquiries received continues to improve.

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from other stone companies, employee retention and material availability.

Key performance Indicators ("KPIs")
Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends and deductions from reserves
The directors do not recommend payment of a dividend to equity holders. Non-equity appropriations amounted to £nil (2008: £11,680) for the year ended 31 May 2009. The loss for the year of £104,357 (2008: £230,000) will be transferred to reserves.

Wallace Group Limited

Directors' report for the year ended 31 May 2009 (continued)

Directors
The directors of the company at 31 May 2009, all of whom were directors for the whole of the year ended on that date except where stated, are listed on page 1.

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Each director, as at the date of this report, has confirmed that insofar as they are 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, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



H Turnbull
Director
25 February 2010

Wallace Group Limited

Independent auditors' report to the members of Wallace Group Limited

We have audited the group and parent company financial statements of Wallace Group Limited for the year ended 31 May 2009 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2009 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Wallace Group Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kenneth Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
26 February 2010

Wallace Group Limited

Consolidated profit and loss account for the year ended 31 May 2009

	Note	2009	2008
		£'000	£'000
Turnover	1		
Continuing operations		**6,622**	7,430
Discontinued operations		**277**	-
Total turnover		**6,899**	7,430
Cost of sales		**(4,145)**	(5,014)
Gross profit		**2,754**	2,416
Administration expenses		**(2,869)**	(2,932)
Other operating income		**14**	14
Operating (loss)/profit	5		
Continuing operations		**293**	(502)
Discontinued operations		**(394)**	-
Total operating loss		**(101)**	(502)
Gain on sale of property	3	**-**	750
Interest payable and similar charges	6	**(3)**	(18)
Loss on ordinary activities before taxation		**(104)**	230
Tax on profit on ordinary activities	7	**-**	-
(Loss)/profit for the financial year	19	**(104)**	230

All items dealt with in arriving at operating (loss)/profit relate to continuing operations.

The group has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

Wallace Group Limited

Balance sheets as at 31 May 2009

	Note	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Fixed assets					
Intangible assets	9	**177**	-	189	-
Tangible assets	10	**61**	-	150	-
Investments	11	**-**	**40**	-	40
		238	**40**	339	40
Current assets					
Stocks	13	**192**	-	207	
Debtors	14	**973**	**12**	656	54
Cash at bank and in hand		**617**	**149**	1,221	146
		1,782	**161**	2,084	200
Creditors: amounts falling due within one year	15	**(1,699)**	**-**	(1,977)	-
Net current assets		**83**	**161**	107	200
Total assets less current liabilities		**321**	**201**	446	240
Creditors: amounts falling due after more than one year	16	**(65)**	**-**	(86)	-
Net assets		**256**	**201**	360	240
Capital and reserves					
Called up share capital	19	**125**	**125**	125	125
Profit and loss account	20	**131**	**76**	235	115
Total shareholders' funds	21	**256**	**201**	360	240

The financial statements on pages 7 to 23 were approved by the board of directors on 25 February 2010 and were signed on its behalf by:

H Turnbull
Director

Wallace Group Limited

Cash flow statement for the year ended 31 May 2009

	Note	2009	2008
		£'000	£'000
Net cash (outflow)/inflow from operating activities	24	**(639)**	398
Returns on investment and servicing of finance			
Interest paid		**(3)**	(7)
Taxation		**-**	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(5)**	(117)
Sale of tangible fixed assets		**55**	750
Net cash (outflow)/inflow before financing		**(592)**	1,024
Financing			
(Decrease)/increase in debt		**(12)**	8
(Decrease)/increase in cash	23	**(604)**	1,032

Accounting policies

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The accounting policies have been consistently applied. There have been no changes in accounting policy during the financial year. The principal accounting policies are set out below.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the group and all its subsidiary undertakings made up to 31 May 2009. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the period are included in the consolidated profit and loss account from the date of acquisition.

Intangible assets
When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is amortised through the profit and loss account over its estimated economic life. The estimated economic life of goodwill is twenty years.

Tangible fixed assets
The cost of tangible fixed assets in their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets over the expected useful economic life of the asset concerned. The principal annual rates used for this purpose are:

Buildings	2%	(straight line)
Plant and machinery	25%	(reducing balance)
Fixtures and fittings	2%	(reducing balance)

Operating leases
Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks
Stocks are valued at the lower of cost and net realisable value after making the due allowance for obsolete and slow moving items.

Government grants
Grants that are related to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life. Other grants are credited to the profit and loss account when received.

Accounting policies (continued)

Turnover

Turnover represents amounts invoiced to outside customers, net of trade discounts and value added tax, except in respect of contracting activities where turnover represents the value of work carried out during the year including amounts not invoiced. Turnover from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company.

Profit on individual contracts is taken only when their outcome can be foreseen with reasonable certainty, based on the lower of the percentage margin earned to date and that prudently forecast at completion, taking account of agreed claims. Full provision is made for all known or expected losses on individual contracts immediately such losses are foreseen.

Taxation

The tax charge is composed of current tax and deferred tax. Current tax is based on the profit for the year at the current rate. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. A deferred tax asset is not recognised unless it is more likely than not that there will be sufficient future taxable profits from which the future reversal of the underlying timing difficulties can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Pension

The pension costs charged against profits represent the amounts of contributions payable into individual plans for the benefit of employees.

Notes to the financial statements for the year ended 31 May 2009

1 Turnover

All sales are made in the United Kingdom.

2 Directors' emoluments

The remuneration paid to the directors of the company was:

	2009	2008
	£'000	£'000
Aggregate emoluments	**805**	779
Company pension contributions to money purchase schemes	**32**	55

Retirement benefits are accruing to three (2007: four) directors under a money purchase pension scheme.

	2009	2008
Highest paid director	**£'000**	£'000
Aggregate emoluments	**194**	161

3 Gain on sale of property

	2009	2008
Group	**£'000**	£'000
Gain on sale of property	**-**	750

Notes to the financial statements for the year ended 31 May 2009 (continued)

4 Employee information

The average monthly number of persons (including executive directors) employed by the group during the year was:

	2009	2008
	Number	Number
Production	**32**	32
Administration	**27**	35
	59	67

Staff costs (for the above persons):	**2009**	2008
	£'000	£'000
Wages and salaries	**1,946**	2,018
Social security costs	**232**	240
Other pension costs (note 26)	**84**	82
	2,262	2,340

5 Operating (loss)/profit

	2009	2008
	£'000	£'000
Operating (loss)/profit is stated after charging:		
Depreciation charge for the year:		
- Tangible owned fixed assets	**39**	50
Goodwill amortisation	**12**	12
Auditors' remuneration:		
- Audit services	**29**	31
- Non-audit services	**6**	8
Operating lease rentals – land and buildings	**148**	150

Notes to the financial statements for the year ended 31 May 2009 (continued)

6 Interest payable and similar charges

	2009 £'000	2008 £'000
Interest on preference shares	-	12
Bank overdraft and other loans	2	5
Hire purchase contracts	1	1
	3	18

7 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax		
UK corporation tax on profits for the period	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the period is lower (2008: lower) than the standard rate of corporation tax in the UK (29.67%). The differences are explained below:

	2009 £'000	2008 £'000
(Loss)/Profit on ordinary activities before tax	(104)	230
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.67% (2007: 30%)	(29)	68
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	46	11
Depreciation for the period (less than) in excess of capital allowances/STTDs	(12)	(9)
Prior year losses utilised	(5)	(69)
Charges on income utilised	-	(1)
Current tax charge for the period	-	-

A deferred tax asset of £249,792 (2008: £254,406) has not been recognised at the year-end due to the uncertainty over its future recoverability.

Notes to the financial statements for the year ended 31 May 2009 (continued)

8 (Loss)/profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2009	2008
	£'000	£'000
Retained (loss)/(profit) by subsidiary undertakings	**(65)**	230
Dealt with in the accounts of the parent company	**(39)**	-
Consolidated profit for the year	**(104)**	230

9 Intangible assets

Group	**£'000**
Cost	
At 1 June 2008 and **31 May 2009**	**245**
Accumulated amortisation	
At 1 June 2008	56
Charge for the year	12
At 31 May 2009	**68**
Net book amount	
At 31 May 2009	**177**
At 1 June 2008	189

Notes to the financial statements for the year ended 31 May 2009 (continued)

10 Tangible fixed assets

Group	Motor Vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 June 2008	77	460	7	544
Additions	5	-	-	5
Disposals	(69)	(184)	-	(253)
At 31 May 2009	**13**	**276**	**7**	**296**
Accumulated depreciation				
At 1 June 2008	19	368	7	394
Disposals	(30)	(168)	-	(198)
Charge for the year	16	23	-	39
At 31 May 2009	**5**	**223**	**7**	**235**
Net book amount				
At 31 May 2009	**8**	**53**	-	**61**
At 1 June 2008	58	92	-	150

11 Fixed asset investments

Company	2009 £'000	2008 £'000
At 1 June 2008 and **at 31 May 2009**	**40**	40

Notes to the financial statements for the year ended 31 May 2009 (continued)

12 Interest in group undertakings

Name of subsidiary undertaking	Country of incorporation and operation	Description of shares held	Proportion of nominal value of issued shares held	Principal activity
Stirling Stone Limited	Scotland	£1 ordinary shares	100%	Supply and fixing of natural stone
Natural Stone Quarries Limited	Scotland	£1 ordinary shares	100%	Quarrying and working dimensional stone
Toffolo Stirling Limited	Scotland	£1 ordinary shares	100%	Supply and installation of marble and granite
Stone Design Limited	Scotland	£1 ordinary shares	100%	Sourcing, design and budgetary control and fixing of natural stone
Construction Materials Consultants Limited	Scotland	£1 ordinary shares	100%	Consultancy service relating to material analysis
Natstone Developments Limited	Scotland	£1 ordinary shares	100%	Developing and letting of property
Stirling Stone (Restoration) Limited	Scotland	£1 ordinary shares	100%	Dormant
Natstone Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Sealants Limited	Scotland	£1 ordinary shares	100%	Dormant
Stirling Stone (Management) Limited	Scotland	£1 ordinary shares	100%	Dormant
Toffolo Limited	Scotland	£1 ordinary shares	100%	Dormant
Quality Stone Limited	Scotland	£1 ordinary shares	100%	Dormant
Steading Developments Limited	Scotland	£1 ordinary shares	100%	Dormant

13 Stocks

	2009	2008
Group	£'000	£'000
Raw materials and consumables	192	207

Notes to the financial statements for the year ended 31 May 2009 (continued)

14 Debtors

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Trade debtors	698	-	404	-
Amounts recoverable on contracts	153	-	147	-
Amounts owed by subsidiary undertakings	-	12	-	39
Director Loan	-	-	15	15
Other debtors	88		90	-
Prepayments	34	-		
	973	12	656	54

Amounts due from subsidiary undertakings due within one year accrue no interest and are repayable on demand.

15 Creditors falling due within one year

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Other loans	-	-	4	-
Obligations under hire purchase contracts	7	-	7	-
Trade creditors	536	-	689	-
Other taxation and social security	279	-	157	-
Other creditors	448	-	241	-
Deferred income	14	-	15	-
Accruals	184	-	99	-
Preference shares	70	-	70	-
Interest owed to preference share holders	65	-	65	-
Payments on account	296	-	630	-
	1,699	-	1,977	-

The 70,000 cumulative redeemable preference shares held within a subsidiary undertaking Natural Stone Quarries Limited, were due to be redeemed by 31 December 2008. On a winding up, the holders have priority before all other classes of shares. The holders have no voting rights.

Notes to the financial statements for the year ended 31 May 2009 (continued)

16 Creditors falling due after one year

Group	2009 £'000	2008 £'000
Obligations under hire purchase contracts	17	25
Deferred income	48	61
	65	86

17 Loans and other borrowings

Group	2009 £'000	2008 £'000
Preference shares	70	70
Other loans	25	36
	95	106

The maturity of debt is as follows:

Group	2009 £'000	2008 £'000
In one year or less	81	81
Between one and two years	14	25
	95	106

The net hire purchase obligations to which the company has committed to are::

Group	2009 £'000	2008 £'000
In one year or less	7	7
Between two and five years	18	25
	25	32

A loan was also obtained from the Business Growth Fund. Interest is charged at 10% per annum and is repayable by 31 January 2009.

A further loan was obtained from Scottish Enterprise Forth Valley upon which interest is charged at 6% per annum.

Notes to the financial statements for the year ended 31 May 2009 (continued)

17 Loans and other borrowings (continued)

Deferred income

Group	2009 £'000	2008 £'000
At 1 June 2008	**76**	90
Released during the year	**(14)**	(14)
At 31 May 2009	**62**	76

18 Discontinued operations

On 9 July 2009, the directors of one of the Company's, Natural Stone Quarries Limited presented a petition to the Court for that Company to be wound up and placed into liquidation. On 29 July 2009, the liquidation of Natural Stone Quarries Limited was completed.

In line with the requirements of FRS 3 "Reporting financial performance", details of turnover and operating profit attributable to this discontinued operation have been disclosed in the profit and loss account on page 7.

The consolidated balance sheet of Wallace Group Limited at 31 May 2009 included the following assets and liabilities of Natural Stone Quarries Limited which were subsequently liquidated.

	£'000
Stock	65
Trade debtors	7
Other debtors	86
Trade creditors	(51)
Taxation and social security	(17)
Accruals and deferred income	(71)
Net assets sold	**19**

Notes to the financial statements for the year ended 31 May 2009 (continued)

19 Called up share capital

Group	2009 £'000	2008 £'000
Authorised		
250,000 ordinary shares of £1 each	**250**	250
Allotted and fully paid		
125,001 ordinary shares of £1 each	**125**	125

Company	2009 £'000	2008 £'000
Authorised		
250,000 ordinary shares of £1 each	**250**	250
Allotted and fully paid		
125,001 ordinary shares of £1 each	**125**	125

20 Profit and loss account

	Group £'000	Company £'000
At 1 June 2008	**235**	115
Loss for the year	**(104)**	(39)
At 31 May 2009	**131**	76

21 Reconciliation of movements in shareholders' funds

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Opening shareholders' funds	**360**	**240**	130	240
(Loss)/profit for the financial year	**(104)**	**(39)**	230	-
Closing shareholders' funds	**256**	**201**	360	240

Notes to the financial statements for the year ended 31 May 2009 (continued)

22 Financial commitments

At 31 May 2009 the group had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	Land and buildings	Land and buildings
	£	£
Expiring between 2 – 5 years	**130,000**	-
Expiring after 5 years	**-**	110,000

The company had no annual commitments under non cancellable finance leases.

23 Analysis of net funds

	Note	At 1 June 2008	Cashflows	**At 31 May 2009**
		£'000	£'000	**£'000**
Net cash				
Cash at bank and in hand		1,221	(604)	**617**
Debt				
Preference shares		(70)	-	**(70)**
Obligations under Hire Purchase		(32)	8	**(24)**
Other loan		(4)	4	**-**
Net funds	24	1,115	(592)	**523**

Notes to the financial statements for the year ended 31 May 2009 (continued)

24 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2009	2008
	£'000	£'000
Operating (loss)/profit	**(101)**	(502)
Depreciation	**39**	50
Goodwill amortisation	**12**	12
Decrease in stocks	**15**	47
(Increase)/decrease in debtors	**(317)**	313
(Decrease)/increase in creditors	**(287)**	478
Net cash (outflow)/inflow from operating activities	**(639)**	398

25 Reconciliation of net cash flow to movement in net funds

	Note	2009	2008
		£'000	£'000
Increase/(Decrease) in cash		**(604)**	1,032
Cash (outflow)/inflow from financing		**12**	(8)
Change in net funds		**(592)**	1,024
Opening net funds		**1,115**	91
Closing net funds	22	**523**	1,115

26 Pension costs

The company operates an executive pension plan for the directors and a group personal pension scheme for all other employees. Both of these are defined contribution schemes. The contributions paid to these schemes are charged annually in the financial statements and amounted to £84,452 (2008: £82,000).

27 Ultimate controlling party

The ultimate controlling party of the group is the Turnbull family by way of their aggregate majority shareholding.

28 Post balance sheet events

As explained in note 18, subsequent to the year Natural Stone Quarries Limited, a subsidiary of Wallace Group Limited at 31 May 1009, was placed in liquidation.