

Company Registration No. 1781765 (England and Wales)

BURLINGTON SLATE LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 31 MARCH 2012

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COMPANIES HOUSE

Saffery Champness
CHARTERED ACCOUNTANTS

BURLINGTON SLATE LIMITED

DIRECTORS AND ADVISERS

Directors	Miss L G Cavendish Rt Hon The Lord Cavendish Rt Hon Lady Cavendish Mr R Irwin Mr D Peake Mr A Gibb (Appointed 22 September 2011) Mr N Williams
Company number	1781765
Registered office	Cavendish House Kirkby-in-Furness Cumbria LA17 7UN
Independent Auditors	Saffery Champness City Tower Piccadilly Plaza Manchester M1 4BT
Bankers	Barclays Commercial Bank PO Box 195 Barclays House Oxenholme Road Kendal Cumbria BX3 2BB

BURLINGTON SLATE LIMITED

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BURLINGTON SLATE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2012

The directors present their report and financial statements for the period ended 31 March 2012

Principal activities and review of the business

The principal activity of the company and the group continued to be that of the manufacture and sale of natural British stone products.

The result for 2012 is considered positive against the background of difficult global trading conditions due to the continued economic downturn. The Directors remain focused on identifying new markets for Burlington and our portfolio of natural British stones and 2011/12 was a successful year in meeting this objective.

The Burlington sales profile was consolidated in the UK market during the period and there were exciting developments in overseas sales activity, particularly in Scandinavia, the Middle East and the United States. The product portfolio continues to diversify with strong roots now established in the Architectural and Landscaping markets in support of the more traditional Roofing business.

The 2011/12 financial period witnessed an increasingly detailed review of internal practices and processes aimed at driving improved efficiency through the business in order to allow Burlington Stone products to remain competitive in an ever more challenging marketplace.

Established production methods continue to be questioned and the 15 months to March 2012 witnessed the introduction of a new and more flexible production saw process that will allow the business to create higher margin output from by-product stone. Greater utilisation of raw materials will reduce the burden of quarry extraction costs, allowing core products to become more competitive.

Competition from slate sourced from outside the UK remains strong and whilst the Directors believe such products are of inferior quality to Burlington, their cost can be more attractive to price-conscious buyers under current economic conditions. Notwithstanding this, Burlington's Directors remain confident that our premium products offered at a competitive price will continue to prove popular and minimise the impact of external risk.

The directors monitor the performance of the company using a number of financial and production based KPI's, with the following key indicators disclosed in the profit and loss account:

- Turnover
- Gross profit
- Profit before tax

Results and dividends

The consolidated profit and loss account for the period is set out on page 6

A dividend of £100,000 was paid during the year.

BURLINGTON SLATE LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2012

Future developments

The Burlington Board of Directors will continue to monitor the availability and quality of relevant stone from both local UK suppliers and from overseas competitors and will act decisively and creatively to consolidate and grow turnover in all geographical areas. Cost containment, measurement efficiency and productivity remain high on the agenda for the 2013 financial year.

Directors

The following directors have held office since 1 January 2011:

Miss L G Cavendish

Rt Hon The Lord Cavendish

Rt Hon Lady Cavendish

Mr M Ridding

(Resigned 13 July 2011)

Mr R Irwin

Mr D Peake

Mr A Gibb

(Appointed 22 September 2011)

Mr N Williams

	2012	2010
	£	£
During the period the group made the following payments:		
Charitable donations	10,538	1,245

Charitable donations - The recipients, amounts and purpose of the charitable donations over £2,000 are as follows

Grizebeck Village Hall £7,276 for restoration and refurbishment of the village hall

Auditors

The auditors, Saffery Champness, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

BURLINGTON SLATE LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 MARCH 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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 company and of the group 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 group 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



.....
Miss L G Cavendish

Director
28/06/2012

BURLINGTON SLATE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURLINGTON SLATE LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Burlington Slate Limited for the period ended 31 March 2012 set out on pages 6 to 29. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 and express an opinion on 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.

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 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2012 and of the group's profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

BURLINGTON SLATE LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF BURLINGTON SLATE LIMITED**

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

Saffery Champness

**Simon Kite BSc FCA (Senior Statutory Auditor)
for and on behalf of Saffery Champness**

20/11/12

**Chartered Accountants
Statutory Auditors**

City Tower
Piccadilly Plaza
Manchester
M1 4BT

BURLINGTON SLATE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2012**

		Period ended 31 March 2012 £	Year ended 31 December 2010 £
	Notes		
Turnover	2	<u>10,502,266</u>	<u>8,769,937</u>
		10,502,266	8,769,937
Cost of sales		<u>(6,029,170)</u>	<u>(5,269,077)</u>
Gross profit		4,473,096	3,500,860
Distribution costs		(2,688,769)	(1,819,598)
Administrative expenses		(1,767,165)	(1,436,800)
Other operating income		<u>67,306</u>	<u>63,837</u>
Operating profit	3	84,468	308,299
Other interest receivable and similar income		4,436	4,305
Interest payable and similar charges	4	<u>(7,825)</u>	<u>(12,844)</u>
Profit on ordinary activities before taxation	3	81,079	299,760
Tax on profit on ordinary activities	5	<u>(51,509)</u>	<u>(74,483)</u>
Profit on ordinary activities after taxation		<u>29,570</u>	<u>225,277</u>

The notes on pages 11 to 29 form part of these financial statements.

BURLINGTON SLATE LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 31 MARCH 2012**

	Period ended 31 March 2012 £	Year ended 31 December 2010 £
Profit for the financial period	29,570	225,277
Currency translation differences on foreign currency net investments	(20,455)	23,075
Total recognised gains and losses relating to the period	<u>9,115</u>	<u>248,352</u>

BURLINGTON SLATE LIMITED

BALANCE SHEETS AS AT 31 MARCH 2012

		Group		Company	
	Notes	2012	2010	2012	2010
		£	£	£	£
Fixed assets					
Intangible assets	8	132,453	137,647	132,453	137,647
Tangible assets	9	2,441,073	2,241,543	2,426,669	2,241,303
Investments	10	-	-	1,038,897	1,038,896
		<u>2,573,526</u>	<u>2,379,190</u>	<u>3,598,019</u>	<u>3,417,846</u>
Current assets					
Stocks	11	2,694,870	1,678,540	2,666,806	1,640,963
Debtors	12	1,657,984	2,231,044	1,646,013	2,220,808
Cash at bank and in hand		10,083	200,774	4,310	199,972
		<u>4,362,937</u>	<u>4,110,358</u>	<u>4,317,129</u>	<u>4,061,743</u>
Creditors: amounts falling due within one year	13	<u>(1,284,444)</u>	<u>(1,058,943)</u>	<u>(5,699,027)</u>	<u>(5,485,650)</u>
Net current assets		<u>3,078,493</u>	<u>3,051,415</u>	<u>(1,381,898)</u>	<u>(1,423,907)</u>
Total assets less current liabilities		<u>5,652,019</u>	<u>5,430,605</u>	<u>2,216,121</u>	<u>1,993,939</u>
Creditors: amounts falling due after more than one year	14	<u>(362,758)</u>	<u>(70,951)</u>	<u>(362,758)</u>	<u>(70,951)</u>
Provisions for liabilities	15	<u>(145,743)</u>	<u>(118,784)</u>	<u>(152,462)</u>	<u>(125,503)</u>
Accruals and deferred income	16	<u>(58,207)</u>	<u>(64,675)</u>	<u>(58,207)</u>	<u>(64,675)</u>
		<u>5,085,311</u>	<u>5,176,195</u>	<u>1,642,694</u>	<u>1,732,810</u>
Capital and reserves					
Called up share capital	18	26,002	26,002	26,002	26,002
Share premium account	19	1,245,920	1,245,920	-	-
Profit and loss account	19	3,812,178	3,903,062	1,616,692	1,706,808
Shareholders' funds	21	<u>5,084,100</u>	<u>5,174,984</u>	<u>1,642,694</u>	<u>1,732,810</u>
Minority interests	20	<u>1,211</u>	<u>1,211</u>	<u>-</u>	<u>-</u>
		<u>5,085,311</u>	<u>5,176,195</u>	<u>1,642,694</u>	<u>1,732,810</u>

The notes on pages 11 to 29 form part of these financial statements

BURLINGTON SLATE LIMITED

**BALANCE SHEETS (continued)
AS AT 31 MARCH 2012**

Approved by the Board and authorised for issue on **28/06/2012**



Miss L G Cavendish
Director

Company Registration No. 1781765

BURLINGTON SLATE LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2012**

		Period ended 31 March 2012 £	Year ended 31 December 2010 £
	Note	£	£
Net cash outflow from operating activities	27	303,617	(232,813)
Returns on investments and servicing of finance			
Interest received		4,436	4,305
Interest paid		(7,825)	(12,844)
Net cash outflow for returns on investments and servicing of finance		(3,389)	(8,539)
Taxation		(93,285)	(54,334)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(221,234)	(634,821)
Receipts from sales of tangible assets		479	43,667
Receipts from sales of investments		-	1
Net cash inflow/(outflow) for capital expenditure		(220,755)	(591,153)
Equity dividends paid		(100,000)	(50,000)
Net cash outflow before management of liquid resources and financing		(113,812)	(936,839)
Financing			
Capital element of hire purchase contracts		(124,557)	(59,495)
Net cash outflow from financing		(124,557)	(59,495)
Decrease in cash in the period	28, 29	(238,369)	(996,334)

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents the invoiced amount of slate sold (stated net of value added tax) during the year. Revenue is recognised when the slate has been despatched to the customer. The turnover and pre-tax profit is attributable to the principal activity.

1.5 Goodwill

The intangible fixed asset represents a capital amount for the purchase of a lease. The lease is being amortised over the remaining period of the lease.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than Freehold land are stated at cost less depreciation.

Assets under Construction represents costs incurred for a capital project undertaken by the group. Where the directors consider that the project is no longer financially viable, the costs are written off.

Landscaping is capitalised and depreciated over the life of the relevant planning permission, or the period of any grants received towards the cost of landscaping.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Freehold buildings are not depreciated as the directors believe that the residual value is not less than the cost
Land and buildings Leasehold	2% to 20% straight line
Plant and vehicles	10% to 50% straight line
Fixtures, fittings & equipment	20% to 30% straight line

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies

(continued)

1.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.10 Stock

Stocks are stated at the lower of costs and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Consumables and goods for resale - purchase costs on a first-in, first-out basis.

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

1.11 Pensions

The Group operates a defined contribution pension scheme for the benefit of its directors and employees. The assets of the scheme are administered by trustees in funds independent from those of the group.

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

The Group has provided for its obligations to pay pensions to former employees not covered by the defined contribution schemes.

1.12 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

1 Accounting policies

(continued)

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account, except exchange differences arising in the consolidated accounts on the retranslation of the group's net investment in the foreign subsidiary, which are shown as a movement on the Statement of Total Recognised Gains and Losses.

1.14 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.15 Landscaping

The Group capitalises the costs of landscaping and depreciates the costs over the life of the relevant planning permission, or the period of any grants received towards the costs of landscaping.

1.16 Group Re-organisation

At 30 December 2010 the company entered into an asset purchase agreement with Burlington Slate Production Limited, The Broughton Moor Green Slate Quarries Limited, Lakeland Green Slate & Stone Company Limited and Mandall's Slate Company Limited. This agreement was for Burlington Slate Limited to purchase the business and assets, for the net assets value of each of the companies, at the 30 December 2010. This business combination has been accounted for by applying merger accounting principles.

These companies will remain dormant in forthcoming years.

2 Turnover

The total turnover of the group for the period has been derived from its principal activity.

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012**

(continued)**Segmental analysis by geographical area**

The analysis by geographical area of the group's turnover is set out as below

	2012	2010
	£	£
Geographical segment		
United Kingdom	8,737,113	7,269,421
Europe	584,341	368,377
USA	1,129,110	1,045,753
Middle East/ Far East	51,702	86,386
	<u>10,502,266</u>	<u>8,769,937</u>

3 Operating profit	2012	2010
	£	£
Operating profit is stated after charging.		
Depreciation of tangible assets	35,255	39,085
Loss on disposal of tangible assets	-	5,001
Operating lease rentals		
- Plant and machinery	9,031	7,732
- Other assets	-	2,134
Fees payable to the group's auditor for the audit of the group's annual accounts (company £12,800; 2010: £17,062)	12,800	31,824
Auditors remuneration- other services	31,684	16,655
and after crediting		
Government grants	(15,468)	(4,902)
Profit on disposal of tangible assets	(479)	(21,164)
Profit on foreign exchange transactions	<u>(18,836)</u>	<u>(27,333)</u>

4 Interest payable	2012	2010
	£	£
Hire purchase interest	<u>7,825</u>	<u>12,844</u>

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012**

5	Taxation	2012 £	2010 £
	Domestic current year tax		
	U K corporation tax	39,696	91,821
	Adjustment for prior years	(7,673)	(17,338)
		<u>32,023</u>	<u>74,483</u>
	Current tax charge		
	Deferred tax		
	Origination and reversal of timing differences	19,486	-
		<u>51,509</u>	<u>74,483</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>81,079</u>	<u>299,760</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20 20% (2010 - 28.00%)	<u>16,378</u>	<u>83,933</u>
	Effects of:		
	Non deductible expenses	76,710	11,349
	Depreciation add back	(59,928)	22,606
	Adjustments to previous periods	(7,673)	(17,338)
	Marginal relief	-	(7,141)
	Other tax adjustments	6,536	(18,926)
		<u>15,645</u>	<u>(9,450)</u>
	Current tax charge	<u>32,023</u>	<u>74,483</u>

6 Profit for the financial period

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

	2012 £	2010 £
Holding company's profit for the financial period	<u>9,884</u>	<u>68,216</u>

BURLINGTON SLATE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012**

7 Dividends	2012	2010
	£	£
Dividends paid within the year	<u>100,000</u>	<u>50,000</u>

A final dividend for 2010 of £1.92 per Ordinary share was paid on 4th February 2011

Interim dividends of £1.92 per Ordinary share were paid on 4th August 2011.

Final dividends of £1.92 per Ordinary share were paid on 4th April 2012.

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****8 Intangible fixed assets
Group**

	Development Costs £
Cost	
At 1 January 2011 & at 31 March 2012	259,502
Amortisation	
At 1 January 2011	121,855
Charge for the period	5,194
At 31 March 2012	127,049
Net book value	
At 31 March 2012	132,453
At 31 December 2010	137,647

The Group has paid The Holker Estate Trust, the lessor, a capital amount to permit an amendment to the lease, to allow the processing at Burlington Slate Quarries of minerals quarried elsewhere, and to allow the construction of office premises at the Kirkby Quarry. This amount is being amortised over the remaining period of the lease

During 2005 the Group acquired the lease for Baycliffe Quarry. The lease is being amortised over the remaining period of the lease, which expires in 2023.

**Intangible fixed assets (continued)
Company**

	£
Cost	
At 1 January 2011 & at 31 March 2012	246,019
Amortisation	
At 1 January 2011	121,855
Charge for the period	5,194
At 31 March 2012	127,049
Net book value	
At 31 March 2012	132,453
At 31 December 2010	137,647

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

9 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and vehicles £	Fixtures, fittings & equipment £	Assets under construction £	Total £
Cost						
At 1 January 2011	110,911	1,870,962	6,870,425	102,583	237,737	9,192,618
Additions	-	-	745,246	-	-	745,246
Disposals	-	-	(4,106)	-	-	(4,106)
At 31 March 2012	110,911	1,870,962	7,611,565	102,583	237,737	9,933,758
Depreciation						
At 1 January 2011	-	1,055,763	5,606,282	51,294	237,737	6,951,076
On disposals	-	-	(4,106)	-	-	(4,106)
Charge for the period	-	88,105	451,101	6,509	-	545,715
At 31 March 2012	-	1,143,868	6,053,277	57,803	237,737	7,492,685
Net book value						
At 31 March 2012	110,911	727,094	1,558,288	44,780	-	2,441,073
At 31 December 2010	110,911	815,199	1,264,144	51,289	-	2,241,543

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and vehicles £	Fixtures, fittings & equipment £	Total £
Net book values			
At 31 March 2012	563,479	-	563,479
At 31 December 2010	121,033	-	121,033
Depreciation charge for the period			
31 March 2012	81,655	-	81,655
31 December 2010	49,640	-	49,640

BURLINGTON SLATE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012**

9 Tangible fixed assets

(continued)

Tangible fixed assets

Company

	Land and buildings Freehold	Land and buildings Leasehold	Plant and vehicles	Fixtures, fittings & equipment	Assets under construction	Total
	£	£	£	£	£	£
Cost						
At 1 January 2011	110,911	1,870,962	6,839,031	102,583	237,737	9,161,224
Additions	-	-	728,275	-	-	728,275
Disposals	-	-	(4,106)	-	-	(4,106)
At 31 March 2012	110,911	1,870,962	7,563,200	102,583	237,737	9,885,393
Depreciation						
At 1 January 2011	-	1,055,763	5,575,127	51,294	237,737	6,919,921
On disposals	-	-	(4,106)	-	-	(4,106)
Charge for the period	-	88,105	448,295	6,509	-	542,909
At 31 March 2012	-	1,143,868	6,019,316	57,803	237,737	7,458,724
Net book value						
At 31 March 2012	110,911	727,094	1,543,884	44,780	-	2,426,669
At 31 December 2010	110,911	815,199	1,263,904	51,289	-	2,241,303

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and vehicles	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 31 March 2012	563,479	-	563,479
At 31 December 2010	121,033	-	121,033
Depreciation charge for the period			
31 March 2012	81,655	-	81,655
31 December 2010	49,640	-	49,640

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

10 Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 January 2011 & at 31 March 2012	1,038,897
Net book value	
At 31 March 2012	1,038,897
At 31 December 2010	1,038,896

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Direct Subsidiary undertakings			
Burlington Slate Production Limited	England and Wales	Ordinary	100.00
The Broughton Moor green Slate Quarries Limited	England and Wales	Ordinary	100.00
Lakeland Green Slate and Stone Company Limited	England and Wales	Ordinary	100.00
Mandall's Slate Company Limited	England and Wales	Ordinary	94.18
Burlington Natstone Limited	USA	Ordinary	100.00

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****10 Fixed asset investments****(continued)**

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
	Principal activity		
Burlington Slate Production Limited	Dormant	3,349,963	-
The Broughton Moor green Slate Quarries Limited	Dormant	267,558	-
Lakeland Green Slate and Stone Company Limited	Dormant	232,658	-
Mandall's Slate Company Limited	Dormant	20,772	-
Burlington Natstone Limited	Sale of slate products	623,128	(795)

11 Stocks

	Group 2012 £	2010 £	Company 2012 £	2010 £
Raw materials and consumables	2,694,870	1,678,540	2,666,806	1,640,963

12 Debtors

	Group 2012 £	2010 £	Company 2012 £	2010 £
Trade debtors	1,043,406	1,394,868	1,042,246	1,391,927
Amounts owed by group undertakings	-	4,813	-	-
Amounts owed by related parties	250,000	610,938	250,000	610,938
Other debtors	14,421	9,644	14,046	9,256
Prepayments and accrued income	350,157	210,781	339,721	208,687
	1,657,984	2,231,044	1,646,013	2,220,808

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****13 Creditors : amounts falling due within one year**

	Group		Company	
	2012	2010	2012	2010
	£	£	£	£
Bank loans and overdrafts	47,678	-	47,678	-
Net obligations under finance lease and hire purchase contracts	158,767	51,029	158,767	51,029
Trade creditors	387,350	301,158	387,350	301,158
Amounts owed to related parties	-	4,813	4,429,683	4,471,450
Amounts owed to participating interests	129,465	4,700	129,465	4,700
Corporation tax	26,124	92,329	25,595	91,822
Taxes and social security costs	250,386	239,334	248,919	236,706
Other creditors	34,855	82,724	34,853	81,917
Accruals and deferred income	249,819	282,856	236,717	246,868
	<u>1,284,444</u>	<u>1,058,943</u>	<u>5,699,027</u>	<u>5,485,650</u>

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2012	2010	2012	2010
	£	£	£	£
Net obligations under finance leases and hire purchase agreements	<u>362,758</u>	<u>70,951</u>	<u>362,758</u>	<u>70,951</u>

The loan is secured by a fixed and floating charge over the assets of the company

Net obligations under finance leases and hire purchase contracts

Repayable within one year	158,767	51,029	158,767	51,029
Repayable between one and five years	<u>362,757</u>	<u>70,951</u>	<u>362,757</u>	<u>70,951</u>
	521,524	121,980	521,524	121,980
Included in liabilities falling due within one year	<u>(158,767)</u>	<u>(51,029)</u>	<u>(158,767)</u>	<u>(51,029)</u>
	<u>362,757</u>	<u>70,951</u>	<u>362,757</u>	<u>70,951</u>

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****15 Provisions for liabilities****Group**

	Pension obligations	Deferred tax liability	Total
	£	£	£
Balance at 1 January 2011	55,041	68,686	123,727
Profit and loss account	-	19,486	19,486
Contributions paid to pension schemes	2,530	-	2,530
	<u>57,571</u>	<u>88,172</u>	<u>145,743</u>

Company

Balance at 1 January 2011	55,041	75,405	130,446
Profit and loss account	-	19,486	19,486
Contributions paid to pension schemes	2,530	-	2,530
	<u>57,571</u>	<u>94,891</u>	<u>152,462</u>

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2010	2012	2010
	£	£	£	£
Accelerated capital allowances	63,744	68,481	70,463	75,200
Other timing differences	24,428	(4,738)	24,428	(4,738)
	<u>88,172</u>	<u>63,743</u>	<u>94,891</u>	<u>70,462</u>

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****16 Accruals and deferred income**

Group	Government grants £
Balance at 1 January 2011	64,675
Amortisation in the period	(6,468)
Balance at 31 March 2012	<u>58,207</u>
Company	
Balance at 1 January 2011	64,675
Amortisation in the period	(6,468)
Balance at 31 March 2012	<u>58,207</u>

17 Pension and other post-retirement benefit commitments**Defined contribution**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund.

	2012 £	2010 £
Contributions payable by the company for the period	<u>376,938</u>	<u>180,520</u>

18 Share capital

	2012 £	2010 £
Allotted, called up and fully paid		
26,002 Ordinary shares of £1 each	<u>26,002</u>	<u>26,002</u>

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**
FOR THE PERIOD ENDED 31 MARCH 2012

19 Statement of movements on reserves
Group

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	1,245,920	3,903,063
Profit for the period	-	29,570
Foreign currency translation differences	-	(20,455)
Dividends paid	-	(100,000)
Balance at 31 March 2012	<u>1,245,920</u>	<u>3,812,178</u>

Company

	Profit and loss account £
Balance at 1 January 2011	1,706,808
Profit for the period	9,884
Dividends paid	(100,000)
Balance at 31 March 2012	<u>1,616,692</u>

20 Minority interests

	2012 £	2010 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>1,211</u>	<u>1,211</u>

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

21 Reconciliation of movements in shareholders' funds	2012	2010
Group	£	£
Profit for the financial period	29,570	225,277
Dividends	(100,000)	(50,000)
	(70,430)	175,277
Other recognised gains and losses	(20,455)	23,075
Net (depletion in)/addition to shareholders' funds	(90,885)	198,352
Opening shareholders' funds	5,174,984	4,976,632
Closing shareholders' funds	5,084,100	5,174,984
	2012	2010
Company	£	£
Profit for the financial period	9,884	68,216
Dividends	(100,000)	(50,000)
Net (depletion in)/addition to shareholders' funds	(90,116)	18,216
Opening shareholders' funds	1,732,810	1,714,594
Closing shareholders' funds	1,642,694	1,732,810

22 Contingent liabilities

Group

Under the lease of the Baycliffe Quarry there is a restoration bond of £50,000, which the company has agreed with the lessor which will come into affect when the lease expires. The company has taken out insurance cover for any obligations that may fall due under this bond.

BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**
FOR THE PERIOD ENDED 31 MARCH 2012

23 Financial commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Other	
	2012	2010
	£	£
Expiry date:		
Within one year	<u>5,134</u>	<u>24,211</u>

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Other	
	2012	2010
	£	£
Expiry date:		
Within one year	<u>5,134</u>	<u>24,211</u>

24 Directors' remuneration

	2012	2010
	£	£
Remuneration for qualifying services	1,015,619	739,549
Compensation for loss of office	<u>23,346</u>	<u>41,400</u>
	<u>1,039,185</u>	<u>780,949</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2010 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>315,430</u>	<u>244,042</u>
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BURLINGTON SLATE LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MARCH 2012****25 Employees****Number of employees**

The average monthly number of employees (including directors) during the period was:

	2012 Number	2010 Number
Office and management	21	17
Sales	11	9
Production	120	112
	<u>152</u>	<u>138</u>

Employment costs

	2012 £	2010 £
Wages and salaries	4,543,354	3,500,118
Social security costs	469,601	350,612
Other pension costs	376,938	175,552
	<u>5,389,893</u>	<u>4,026,282</u>

26 Control

The company is under the ultimate control of the Cavendish 1956 Settlement Discretionary Fund

27 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2012 £	2010 £
Operating profit	84,468	308,299
Depreciation of tangible assets	545,716	426,982
Amortisation of intangible assets	5,194	4,155
Profit on disposal of tangible assets	(479)	(16,163)
(Increase)/decrease in stocks	(1,016,330)	150,933
Decrease/(increase) in debtors	573,060	(1,032,063)
Increase/(decrease) in creditors within one year	136,381	(90,043)
Net effect of foreign exchange differences	(20,455)	23,075
Movement on grant provision	(6,468)	(6,468)
Increase/(decrease) in pension provision	2,530	(1,521)
Net cash (outflow)/inflow from operating activities	<u>303,617</u>	<u>(232,813)</u>

BURLINGTON SLATE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MARCH 2012

28 Analysis of net debt	1 January 2011	Cash flow	Other non- cash changes	31 March 2012
	£	£	£	£
Net cash:				
Cash at bank and in hand	200,774	(190,691)	-	10,083
Bank overdrafts	-	(47,678)	-	(47,678)
	<u>200,774</u>	<u>(238,369)</u>	<u>-</u>	<u>(37,595)</u>
Finance leases	(121,980)	124,557	(524,102)	(521,525)
Net debt	<u>78,794</u>	<u>(113,812)</u>	<u>(524,102)</u>	<u>(559,120)</u>

29 Reconciliation of net cash flow to movement in net debt	2012	2010
	£	£
Decrease in cash in the period	(238,369)	(996,334)
Cash (inflow)/outflow from (increase)/decrease in debt	124,557	59,495
Non cash changes in respect of finance leases	(524,102)	-
Movement in net (debt)/funds in the period	(637,914)	(936,839)
Opening net funds	78,794	1,015,633
Closing net (debt)/funds	<u>(559,120)</u>	<u>78,794</u>

30 Related party relationships and transactions

Group and Company

The Rt Hon The Lord Cavendish and the Rt Hon Lady Cavendish are directors of the Company and also connected persons, in respect of their interest in Holker Holdings Limited and the Holker Estate Trust. The group paid £78,316 (2010: £52,060) to the group headed by Holker Holdings Limited in respect of services rendered and £109,981 (2010: £96,638) to Holker Estate Trust in respect of royalties during the period. The group also provided goods or services to the group headed by Holker Holdings Limited amounting to £7,572 (2010: £11,651).

During the prior year, the company advanced £600,000 to the group headed by Holker Holdings Limited by way of an interest free loan. The balance payable at 31 March 2012 was £250,000 (2010: £600,000). There is no fixed repayment schedule in respect of this loan.

At the 31 March 2012 the company was owed £19,960 (2010: £10,938) by the group headed by Holker Holdings Limited, and the company owed the group £129,465 (2010: £4,700).