

Report of the Directors and
Financial Statements
for the Year Ended 30th September 2001
for
Roseland Asphalt Limited



Roseland Asphalt Limited

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for the Year Ended 30th September 2001

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Roseland Asphalt Limited

Company Information
for the Year Ended 30th September 2001

DIRECTORS: W D Crocker Esq
G J Crocker Esq
K S Williams

SECRETARY: W R Crocker

REGISTERED OFFICE: Lean Quarry
Horningtops
Liskeard
Cornwall

REGISTERED NUMBER: 1871029 (England and Wales)

AUDITORS: WARD, COAD & RANDALL
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
The Parade
Liskeard
Cornwall
PL14 6AF

Roseland Asphalt Limited

Report of the Directors
for the Year Ended 30th September 2001

The directors present their report with the financial statements of the company for the year ended 30th September 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of asphalt production for the construction industry.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

W D Crocker Esq
G J Crocker Esq
K S Williams

The beneficial interests of the directors holding office on 30th September 2001 in the issued share capital of the company were as follows:

	30.9.01	1.10.00
Ordinary £1 shares		
W D Crocker Esq	7,000	7,000
G J Crocker Esq	7,000	7,000
K S Williams	7,000	7,000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

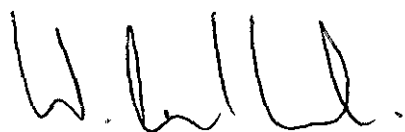
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, WARD, COAD & RANDALL, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
W R Crocker - SECRETARY

Dated: 11/4/02

Roseland Asphalt Limited

Report of the Independent Auditors to the Shareholders of
Roseland Asphalt Limited

We have audited the financial statements of Roseland Asphalt Limited for the year ended 30th September 2001 on pages four to thirteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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 transactions with the company is not disclosed.

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

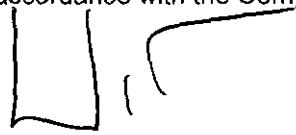
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WARD, COAD & RANDALL
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
The Parade
Liskeard
Cornwall
PL14 6AF

Dated: 11/4/02

Roseland Asphalt Limited

Profit and Loss Account
for the Year Ended 30th September 2001

		<u>30.9.01</u>	<u>30.9.00</u>
	Notes	£	£
TURNOVER		2,357,038	2,313,135
Cost of sales		<u>1,855,802</u>	<u>1,752,294</u>
GROSS PROFIT		501,236	560,841
Administrative expenses		<u>180,628</u>	<u>184,380</u>
		320,608	376,461
Other operating income		<u>39,883</u>	<u>41,354</u>
OPERATING PROFIT	3	360,491	417,815
Legal fees for the protection of title to mineral reserves		-	(4,565)
		<u>360,491</u>	<u>413,250</u>
Interest receivable and similar income		<u>726</u>	<u>1,448</u>
		361,217	414,698
Interest payable and similar charges	4	<u>14,915</u>	<u>17,984</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		346,302	396,714
Tax on profit on ordinary activities	5	<u>102,584</u>	<u>113,266</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		243,718	283,448
Dividends	6	<u>36,000</u>	<u>111,000</u>
		207,718	172,448
Retained profit brought forward		<u>755,409</u>	<u>582,961</u>
RETAINED PROFIT CARRIED FORWARD		<u>£963,127</u>	<u>£755,409</u>

The notes form part of these financial statements

Roseland Asphalt Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 30th September 2001

	<u>30.9.01</u>	<u>30.9.00</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	243,718	283,448
Revaluation of freehold property	<u>6,686</u>	<u>60,000</u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>£250,404</u>	<u>£343,448</u>

The notes form part of these financial statements

Roseland Asphalt Limited

Balance Sheet
30th September 2001

		30.9.01		30.9.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,778,571		1,807,182
CURRENT ASSETS:					
Stocks		9,522		17,033	
Debtors	8	755,002		545,466	
Cash at bank		109,381		119,236	
		873,905		681,735	
CREDITORS: Amounts falling due within one year	9	391,141		367,292	
NET CURRENT ASSETS:			482,764		314,443
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,261,335		2,121,625
CREDITORS: Amounts falling due after more than one year	10		(49,589)		(124,972)
PROVISIONS FOR LIABILITIES AND CHARGES:	12		(79,073)		(78,384)
			£2,132,673		£1,918,269
CAPITAL AND RESERVES:					
Called up share capital	13		21,000		21,000
Revaluation reserve	14		1,148,546		1,141,860
Profit and loss account			963,127		755,409
SHAREHOLDERS' FUNDS:			£2,132,673		£1,918,269

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:


K S Williams - DIRECTOR

Approved by the Board on 11/4/02

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30th September 2001

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following rates in order to write off each asset over its estimated useful life.

Plant & Machinery	- 15% reducing balance
Motor Vehicles	- 25% reducing balance
Fixtures & Fittings	- 15% reducing balance

The depreciation applied to land and buildings is considered on an asset by asset basis, to ensure that the depreciation charge within the accounts matches the consumption of the asset during the period.

· The depreciation of mineral reserves is computed by applying a rate of 5.3p per tonne of stone extracted from the company's residual mineral reserve.

· Functional freehold improvements are depreciated at 10% on cost.

Stocks

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

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences to the extent that in the opinion of the Directors, there is reasonable probability that the liability will reverse within the foreseeable future.

2. **STAFF COSTS**

	30.9.01	30.9.00
	£	£
Wages and salaries	130,124	116,069
Social security costs	13,587	11,860
Other pension costs	4,900	4,748
	<u>148,611</u>	<u>132,677</u>

The average monthly number of employees during the year was as follows:

	30.9.01	30.9.00
Production	5	3
Administration	3	5
	<u>8</u>	<u>8</u>

Notes to the Financial Statements
for the Year Ended 30th September 2001

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.9.01	30.9.00
	£	£
Depreciation - owned assets	78,066	90,106
Loss on disposal of fixed assets	1,837	1,138
Auditors' remuneration	3,300	3,200
	<u> </u>	<u> </u>
Directors' emoluments	<u>40,304</u>	<u>35,474</u>

The depreciation charge on owned assets includes depreciation charged on assets held under Hire Purchase agreements of £41,458.

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

	30.9.01	30.9.00
	£	£
Bank interest	1,312	415
Bank loan interest	5,532	5,908
	<u> </u>	<u> </u>
	<u>6,844</u>	<u>6,323</u>

5. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.01	30.9.00
	£	£
UK corporation tax	101,823	116,298
Under-provision in prior year	72	-
Deferred taxation	3,029	(3,032)
Change in rate of taxation	(2,340)	-
	<u> </u>	<u> </u>
	<u>102,584</u>	<u>113,266</u>

6. **DIVIDENDS**

	30.9.01	30.9.00
	£	£
Interim dividends	<u>36,000</u>	<u>111,000</u>

Notes to the Financial Statements
for the Year Ended 30th September 2001

7. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST OR VALUATION:			
At 1st October 2000	1,339,862	856,587	2,196,449
Additions	-	53,260	53,260
Disposals	(6,686)	(10,837)	(17,523)
Surplus on revaluation	6,686	-	6,686
At 30th September 2001	1,339,862	899,010	2,238,872
DEPRECIATION:			
At 1st October 2000	6,452	382,816	389,268
Charge for year	4,431	73,635	78,066
Eliminated on disposals	-	(7,033)	(7,033)
At 30th September 2001	10,883	449,418	460,301
NET BOOK VALUE:			
At 30th September 2001	1,328,979	449,592	1,778,571
At 30th September 2000	1,333,410	473,772	1,807,182

Included within fixed assets are assets held under hire purchase agreements, having a net book value of £234,910. Depreciation charged on these assets during the year under review was £41,458.

Cost or valuation at 30th September 2001 is represented by:

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
Valuation in 1999	1,081,860	-	1,081,860
Valuation in 2000	60,000	-	60,000
Cost	198,002	899,010	1,097,012
	1,339,862	899,010	2,238,872

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	30.9.01	30.9.00
	£	£
Cost	198,002	198,002
Aggregate depreciation	10,883	6,452
Value of land in freehold land and buildings	1,328,979	1,333,410

The freehold at Blackhill was valued on an open market value basis on 31st January 2000 by Mathews and Son, Chartered Surveyors.

Notes to the Financial Statements
for the Year Ended 30th September 2001

7. TANGIBLE FIXED ASSETS - continued

The open market valuation assessed the property as a fully equipped and operational entity, having regard to its full trading potential.

Included within this valuation were certain items of plant and machinery located at the quarry. These items of plant and machinery are included separately within the accounts and as such have been excluded from the valuation. The net book value of these assets at the time of the valuation was £328,357. Also excluded are assets included within the valuation which are not owned by the company, with a net book value of £28,081.

The movement on the revaluation reserve in the current year relates to the portion of the prior year provision for legal expenses, to ensure good title to the mineral reserves at Blackhill Quarry, over and above the actual amount expended.

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.01 £	30.9.00 £
Trade debtors	314,780	314,104
Other debtors	422,768	228,753
Prepayments	17,454	2,609
	<u>755,002</u>	<u>545,466</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.9.01 £	30.9.00 £
Bank loans and overdrafts	12,629	12,629
Hire purchase contracts	61,579	58,755
Trade creditors	169,997	104,900
Directors current accounts	6,211	6,871
Other creditors	34,639	61,206
Corporation tax payable	98,060	116,298
Corporation tax payable	3,763	-
Accruals	4,263	6,633
	<u>391,141</u>	<u>367,292</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.9.01 £	30.9.00 £
Bank loans	47,884	61,685
Hire purchase contracts	1,705	63,287
	<u>49,589</u>	<u>124,972</u>

Notes to the Financial Statements
for the Year Ended 30th September 2001

11. SECURED DEBTS

The following secured debts are included within creditors:

	30.9.01	30.9.00
	£	£
Bank loans	60,513	74,314
Hire purchase contracts	63,284	122,042
	<u>123,797</u>	<u>196,356</u>

The bank borrowing is secured by a fixed charge over the company's freehold property, together with a floating charge over all of the company's remaining assets.

The bank loan is repayable by way of equal monthly instalments, the loan is expected to be repaid within five years. A commercial rate of interest is charged on the loan.

Included within creditors is a balance of £63,284 relating to capital outstanding on hire purchase agreements. Security for this debt is by way of a charge over the assets purchased.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	30.9.01	30.9.00
	£	£
Deferred taxation	<u>79,073</u>	<u>78,384</u>
	Deferred taxation	
	£	
Balance at 1st October 2000	78,384	
Charged to Profit and Loss account	3,029	
Change in rate of deferred tax	<u>(2,340)</u>	
Balance at 30th September 2001	<u>79,073</u>	

Notes to the Financial Statements
for the Year Ended 30th September 2001

12. PROVISIONS FOR LIABILITIES AND CHARGES - continued

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	30.9.01	30.9.00	30.9.01	30.9.00
	£	£	£	£
Accelerated capital allowances	79,073	78,384	-	-
Revaluation gain deferral	-	-	330,000	330,000
Accelerated capital allowance on mineral reserves	-	-	17,701	14,378
	<u>79,073</u>	<u>78,384</u>	<u>347,701</u>	<u>344,378</u>

It is not considered appropriate to provide for deferred tax on accelerated capital allowances on the mineral reserves due to the timescale of the reversal of the timing difference.

The Company's freehold property has been revalued in accordance with FRS 15 Tangible Fixed Assets. It is the Company's intention to retain the property in the foreseeable future. No deferred tax has been provided on the gains arising from the revaluation as such tax would only become payable if the property were sold without rollover relief being obtained. The tax which would be payable in such circumstances is estimated to be £330,000.

13. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.9.01	30.9.00
			£	£
60,000	Ordinary	£1	<u>60,000</u>	<u>60,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.01	30.9.00
			£	£
21,000	Ordinary	£1	<u>21,000</u>	<u>21,000</u>

14. REVALUATION RESERVE

	30.9.01	30.9.00
	£	£
Brought forward	1,141,860	1,081,860
Revaluation in year	6,686	60,000
	<u>1,148,546</u>	<u>1,141,860</u>

15. PENSION COMMITMENTS

The company now contributes to two pension schemes, both of which are defined contribution schemes. These schemes are operated by a related company, namely Roseland Plant Limited. The company cost of these schemes for the year was £4,900. Both schemes are managed by the insurance companies concerned, no provision is considered necessary at the year end.

There is a further defined benefit scheme which has been contributed to in the past and is now frozen. The actuaries of the scheme predict that no further contributions will be required in this respect.

16. CAPITAL COMMITMENTS

	30.9.01	30.9.00
	£	£
Contracted but not provided for in the financial statements	182,000	-

The above capital commitments relate to the construction of a new coating plant situated in North Cornwall which is aimed at increasing the Company's market share.

17. TRANSACTIONS WITH DIRECTORS

a) The company's fixed plant is situated on land which is owned by the wife of W.D.Crocker. The asphalt plant and land preparation costs are included in the accounts at a net book value of £166,414. The company pays rent to Roseland Plant Company for the use of this land although no formal tenancy agreement exists in this regard.

b) Wages are paid to the wives of the directors for services provided as follows:

R.M.E.Crocker	-	£853
T.Crocker	-	£801
H.D.Williams	-	£4,361

c) Included within other debtors is an amount due from sister companies Roseland Plant Limited and Roseland Aggregates Limited, companies in which the Directors have a material interest. The balance is the result of intercompany trading, the recharge of certain overhead expenditure and the allocation of common costs. Details of this balance are given in note 18 'Trading with Related Companies'.

18. TRADING WITH RELATED COMPANIES

During the year the company traded with the following businesses in which the Directors have a material interest. The bulk of this trade relates to the purchase of aggregates from Roseland Aggregates Limited for the production of asphalt, and the sale of finished goods for use in the construction work undertaken by Roseland Plant Limited. All trading is undertaken at arms length and includes the commercial apportionment of shared costs. The total monetary value of this trading has been quantified as follows:

	Sales	Purchases
Roseland Aggregates Limited	-	£548,415
Roseland Plant Company Limited	£64,400	£45,213

Included within other debtors is an amount of £411,206 which represents amounts owed to the company by its sister companies Roseland Plant Company Limited and Roseland Aggregates Limited. In essence the effect of this balance is a loan made by the Company to its sister companies on which no interest charge is levied.

Roseland Asphalt Limited

Trading and Profit and Loss Account
for the Year Ended 30th September 2001

	30.9.01		30.9.00	
	£	£	£	£
Income:				
Sales	2,282,487		2,220,399	
Waiting time revenue	74,551		92,736	
		2,357,038		2,313,135
Cost of sales:				
Prime costs	1,206,041		1,112,265	
Production costs	151,209		128,020	
Other direct costs	346,633		355,474	
Production wages	76,308		72,956	
Social security	7,015		6,750	
Plant hire	3,742		3,243	
Depreciation	64,854		73,586	
		1,855,802		1,752,294
GROSS PROFIT		501,236		560,841
Other income:				
Credit charges received	9,883		8,188	
Hire of machinery	30,000		33,166	
Deposit account interest	726		1,448	
		40,609		42,802
		541,845		603,643
Expenditure:				
Directors' remuneration	40,304		35,474	
Social security	3,824		3,802	
Pension contributions	4,900		4,748	
Salaries	13,512		7,639	
Social security	2,748		1,308	
Telephone	4,691		4,208	
Postage, stationery & advertising	6,726		9,505	
Travelling	1,661		2,077	
Motor expenses	6,150		7,129	
Group health cover	5,257		4,762	
Administration charges	33,214		34,525	
Other operating costs	8,511		10,120	
Auditors remuneration	3,300		3,200	
Professional fees	7,134		2,231	
Security costs	5,634		5,473	
Entertainment & gratuities	3,128		4,037	
Bad debts	-		12,658	
Rent	12,000		12,000	
Product monitoring costs	1,857		1,228	
		164,551		166,124
Carried forward		377,294		437,519

This page does not form part of the statutory financial statements

Roseland Asphalt Limited

Trading and Profit and Loss Account
for the Year Ended 30th September 2001

	30.9.01		30.9.00	
	£	£	£	£
Brought forward		377,294		437,519
Finance costs:				
Bank interest	1,312		415	
Bank loan interest	5,532		5,908	
Hire purchase interest	8,071		11,661	
Bank charges	1,028		597	
		15,943		18,581
		361,351		418,938
Depreciation:				
Mineral reserves	4,397		5,443	
Access Road	34		37	
Fixtures & fittings	1,888		2,102	
Motor vehicles	6,893		8,939	
		13,212		16,521
		348,139		402,417
Loss on disposal of fixed assets:				
Plant & machinery		1,837		1,138
		346,302		401,279
Exceptional items:				
Legal fees for the protection of title to mineral reserves	-		(4,565)	(4,565)
NET PROFIT		£346,302		£396,714