

Company Number 222141

RUGBY BUILDING SYSTEMS LIMITED

REPORT AND ACCOUNTS

31 December 2002



RUGBY BUILDING SYSTEMS LIMITED
DIRECTORS' REPORT
31 December 2002

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal Activity and Business Review

The company has not been trading during the year but continues to receive income from investments in properties.

Future developments

The Directors plan to transfer the trade and assets of the company into RMC (UK) Limited in the year ending 31 December 2003.

Results and dividends

The company's profit for the year is £77,000 (2001: £(6,033,000)). The directors do not recommend the payment of a dividend (2001:£nil).

Directors and their interests

The directors who served during and since the end of the year are as shown below:

J A Brooks	resigned	3 rd October 2002
G E Clark	resigned	3 rd October 2002
S J Eastwood	resigned	5 th September 2002
S Bottle	appointed	3 rd October 2002
M L Collins	appointed	3 rd October 2002
J A Robinson	appointed	3 rd October 2002

The directors, and their interests in RMC Group p.l.c. are;

	Fully Paid Shares			Options to Purchase Shares			Long Term Incentive Plan				
	31 Dec 2002	31 Dec 2001 or Date of Appointment	31 Dec 2002	Granted During Year	Exercised During Year	Lapsed During Year	31 Dec 2001 or Date of Appointment	31 Dec 2002	Award During Year	Lapsed During Year	31 Dec 2001 or Date of Appointment
S Bottle	505	505	8,195	1,985	Nil	3,464	9,674	Nil	Nil	Nil	Nil
M L Collins	809	809	36,105	3,451	Nil	Nil	32,654	Nil	Nil	Nil	Nil
J A Robinson	25,247	25,154	41,118	Nil	Nil	Nil	41,118	14,000	Nil	Nil	14,000

None of the directors had any material interests in any contract or arrangement during the year with the company.

RUGBY BUILDING SYSTEMS LIMITED
DIRECTORS' REPORT
31 December 2002

Statement of Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 6 under Note 1 "Accounting Policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statutory Dispensation

The Company has in force, under section 379A of the Companies Act 1985 an election dispensing with the laying of accounts and reports before the Company in General Meeting, the holding of an Annual General Meeting and the obligation to appoint auditors annually.

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 27 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

Approved by the Board on 3 June 2003
and signed on its behalf by



Secretary

RUGBY BUILDING SYSTEMS LIMITED AUDIT REPORT

Independent auditors' report to the members of Rugby Building Systems Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

31 June 2003

RUGBY BUILDING SYSTEMS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £000	2001 (restated) £000
Turnover	2	207	174
Cost of Sales		(313)	(501)
Gross (Loss)		<u>(106)</u>	<u>(327)</u>
Administration expenses		(369)	(5,740)
Other operating income		<u>491</u>	<u>96</u>
Profit/(loss) on ordinary activities before interest		16	(5,971)
Interest payable		-	(2)
Profit/(loss) on ordinary activities before taxation	3	<u>16</u>	<u>(5,973)</u>
Tax credit/(charge) on profit on ordinary activities	5	61	(60)
Retained profit/(loss) for the financial year		<u>77</u>	<u>(6,033)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st December 2002

	2002 £000	2001 £000
Profit for the financial year	<u>77</u>	<u>(6,033)</u>
Total recognised gains and losses relating to the year	77	<u>(6,033)</u>
Prior year adjustment (see note 11)	(74)	
Total gains and losses since last annual report	<u>3</u>	

All activities relate to continuing operations.

There are no differences between the retained profit/(loss) for the year and the historical cost profit/(loss) for the year.


The Notes to the Accounts on pages 6 – 11 form part of these Accounts.

The report of the auditors is set out on page 3.

RUGBY BUILDING SYSTEMS LIMITED
BALANCE SHEET
at 31 December 2002

	Notes	2002 £000	2001 (restated) £000
Fixed Assets			
Tangible Assets	6	<u>1,829</u>	<u>1,882</u>
		1,829	1,882
Current Assets			
Debtors	7	6,827	8,305
Cash at Bank		<u>92</u>	<u>91</u>
		6,919	8,396
Creditors: amounts falling due within one year	8	<u>-</u>	<u>(306)</u>
Net Current Assets		6,919	8,090
Provisions for liabilities and charges	9	<u>(4,912)</u>	<u>(6,213)</u>
		<u>3,836</u>	<u>3,759</u>
Capital and reserves			
Called-up share capital	11	3,000	3,000
Profit and loss account	11	<u>836</u>	<u>759</u>
Equity shareholders' funds	12	<u>3,836</u>	<u>3,759</u>

Approved by the Board on 3 June 2003


J.A. Robinson
Director

The Notes to the Accounts on Pages 6-11 form part of these Accounts.

The report of the auditors is set out on page 3.

**RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

1. ACCOUNTING POLICIES

The accounts are prepared in accordance with the Companies Act 1985 and applicable Accounting Standards. The principal accounting policies which, with the exception of the adoption of FRS 19 in the year, have been applied consistently, are set out below.

Turnover

Turnover represents the invoiced value of sales to, and rental income from third parties, net of trade discounts and value added tax. Where the company acts as a sub-contractor turnover represents the value of work undertaken.

Fixed Assets

Fixed assets are stated at cost or valuation and depreciated on a straight-line basis to write off the cost or valuation of the assets concerned over their estimated useful lives.

The following straight-line annual rates of depreciation are used:

Freehold Buildings	3.3%
Leasehold land and buildings	Over the life of the lease

Leases

Payments made under operating leases are charged to the profit and loss account as incurred.

Provisions

Provisions held in the balance sheet are utilised to cover obligations arising under onerous leases.

Deferred taxation

The company has adopted FRS 19 – Deferred Tax, whereby provision for deferred tax is made on all timing differences that have originated, but not reversed at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when it is regarded as more likely than not that there will be sufficient future taxable profits. Deferred tax is not discounted.

On adoption of FRS 19, the company has changed its policy in respect of deferred tax, and has restated prior years results accordingly. The effect of adopting the new standard is shown in note 5.

**RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

2. TURNOVER

	2002 £000	2001 £000
United Kingdom	<u>207</u>	<u>174</u>

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £000	2001 £000
is stated after charging;		
Operating lease charges	207	501
Depreciation	<u>53</u>	<u>54</u>

The remuneration of the auditors has been borne by RMC Group p.l.c.

There are no employees of the company and no staff costs.

Directors Emoluments

No remuneration was paid to the directors of the company for their services to the company as directors. The costs of directors' salaries is borne by RMC Group Services Limited.

4. INTEREST PAYABLE

	2002 £000	2001 £000
Bank loans and overdrafts	<u>-</u>	<u>2</u>

RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

a) ANALYSIS OF TAXATION CHARGE	2002	2001
	£	(restated)
		£
Current taxation: -		
United Kingdom corporation tax at rate of 30% (2001 – 30%) on the profits on ordinary activities for the year	-	-
Under (Over) provisions in prior years	-	(100)
Receipt for group relief	(99)	-
	(99)	(100)
Double taxation relief	-	-
	(99)	(100)
Deferred taxation: -		
Deferred taxation on timing differences	76	160
Over provisions in prior years	(38)	-
	38	160
<u>Tax on profit/(loss) from ordinary activities</u>	<u>(61)</u>	<u>60</u>

b) RECONCILIATION OF CURRENT TAX CHARGE

The corporation tax for the period is greater/less than the standard rate of 30%. The reasons for the difference are explained below:

Profit on ordinary activities before tax	16	(5,973)
Corporation tax at 30%	5	(1,792)
Adjustment for effect of:		
Depreciation of assets not qualifying for capital allowances	3	16
Prior year adjustment	-	(100)
Losses surrendered to fellow group company without payment	-	150
Movement on Provisions not tax effective	(107)	1,626
<u>Current charge for the period</u>	<u>(99)</u>	<u>(100)</u>

c) DEFERRED TAXATION

Deferred taxation has been provided at the rate of 30% (2001 – 30%) on the following timing differences:

Accelerated capital allowances and expense provisions	112	74
At 31 December 2002	112	74
Movement in the year		
Provision at 1 January 2002	74	(86)
Charge/credit to profit and loss account for the period	38	160
Provision at 31 December 2002	112	74

RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES Continued

Applying the principles of SSAP 15 'Accounting for Deferred Taxation' to the results for 2002 would not materially alter the tax charge.

6. TANGIBLE FIXED ASSETS

	Freehold Property £000	Long Leasehold Property £000	Total £000
COST			
At 1 January 2002 and 31 December 2002	<u>1,329</u>	<u>660</u>	<u>1,989</u>
DEPRECIATION			
At 1 January 2002	87	20	107
Charge for the year	43	10	53
At 31 December 2002	<u>130</u>	<u>30</u>	<u>160</u>
Net book value at 31 December 2002	<u>1,199</u>	<u>630</u>	<u>1,829</u>
Net book value at 31 December 2001	<u>1,242</u>	<u>640</u>	<u>1,882</u>

All of the above assets are held for use as operating leases.

7. DEBTORS

	2002 £000	2001 £000
Trade debtors	128	158
Amounts owed by Group undertakings	6,509	8,073
Other debtors	-	74
Corporation tax recoverable	99	-
Prepayments	91	-
	<u>6,827</u>	<u>8,305</u>

8. CREDITORS

	2002 £000	2001 £000
Other creditors and accruals	-	306
	<u>-</u>	<u>306</u>

RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £000	Other Provisions £000	Total £000
At 1 January 2002	74	6,139	6,213
Inter group transfer	-	(1,233)	(1,233)
Expenditure	-	(106)	(106)
Charge to profit and loss account	38	-	38
At 31 December 2002	<u>112</u>	<u>4,800</u>	<u>4,912</u>

Provisions relate primarily to liabilities arising under onerous leases. The timing of these items is variable. The provisions are based on current estimates which are not expected to vary from final payments made. No discounting has been applied as this does not have a material impact. The intergroup transfer reflects the fact that provisions are now held by other group companies.

10. OBLIGATIONS AND COMMITMENTS UNDER LEASES

Annual commitments under non-cancellable operating leases expiring:

	2002 Land & Buildings £000	2001 Land & Buildings £000
In the first year	77	-
In the second year to fifth year thereafter	-	83
	<u>291</u>	<u>421</u>
	<u>368</u>	<u>504</u>

11. CAPITAL AND RESERVES

	2002 £000	2001 £000
Share Capital		
Ordinary shares of £1 each: authorised, issued, allotted and fully paid	<u>3,000</u>	<u>3,000</u>
Profit and loss account		£000
1 January 2002 as previously reported		833
Prior year adjustments – see below		(74)
1 January 2002 as restated		<u>759</u>
Profit for the year		77
Dividends		-
31 December 2002		<u>836</u>
Prior year adjustment:		£000
The prior year adjustment related to the adoption of FRS19 (see note 1)		
Adjustment to opening reserves		86
Adjustment to profit for the year		(160)
		<u>(74)</u>

RUGBY BUILDING SYSTEMS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £000	2001 (restated) £000
Profit for the year	77	(6,033)
Dividends	-	-
Net addition to shareholders' funds	77	(6,033)
Opening shareholders' funds as previously reported	3,833	9,706
Prior year adjustment – FRS19 (see note 1)	(74)	86
Opening shareholders' fund as restated	3,759	9,792
Closing shareholders' funds	3,836	3,759

13. CASH FLOW STATEMENT

As the company is a wholly owned subsidiary undertaking of RMC Group p.l.c., its controlling and ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No. 1 (revised) 1996 from preparing a cash flow statement.

14. RELATED PARTIES

As the company is a wholly owned subsidiary undertaking of RMC Group p.l.c., its controlling and ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No. 8 from disclosing transactions with entities that are part of the RMC Group or investees of the RMC Group qualifying as related parties.

15. CONTINGENT LIABILITIES

The company has entered into a joint and several guarantee with certain group companies, guaranteeing a group bank overdraft facility of £100,000,000 for RMC Group p.l.c.

The company is registered with H M Customs & Excise as a member of the RMC Group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

16. ULTIMATE PARENT COMPANY

The company's ultimate parent company (which is also the ultimate controlling party) is RMC Group p.l.c., which is registered in Great Britain.

The RMC Group is the largest and the smallest group of undertakings for which group accounts are drawn up and of which this company is a member. The group accounts of RMC Group p.l.c. can be obtained from the registered office at RMC House, Coldharbour Lane, Thorpe, Egham, Surrey, TW20 8TD.