

Lloyds Quarries & Sand & Gravel Company Limited

Registered No. 577861

Annual Report

Year ended 31 December 2005



Lloyds Quarries & Sand & Gravel Company Limited

Year ended 31 December 2005

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Lloyds Quarries & Sand & Gravel Company Limited

Year ended 31 December 2005

Company Directory

Directors

I.D. Burrell
D.G. Holden
J.D. Anderson (Resigned: 1 April 2006)

Company Secretary

E.A. Blease (Appointed: 6 May 2005)
I.D. Burrell (Resigned: 6 May 2005)

Registered Office

Birkby Grange
Birkby Hall Road
Huddersfield HD2 2YA

Bankers

Royal Bank of Scotland plc
1 Market Street
Bradford BD1 1EQ

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds LS1 4DW

Lloyds Quarries & Sand & Gravel Company Limited

Directors' Report

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2005. As set out in note 1 on page 8, certain new Reporting Standards have been adopted in these Financial Statements for the first time. As a consequence of this, the comparatives have been restated accordingly.

Result

The Company has not traded during the year or during the preceding financial year. No ordinary dividend has been declared and paid in the year (2004: £1,898,000). The retained loss for the year of £Nil (2004: £1,898,000) has been transferred from reserves.

Directors and their interests

The names of the present Directors of the Company and those who have served during the year appear on page 2.

The interests of the Directors in the share capital of Marshalls plc, the ultimate holding company, at 31 December 2005 and 1 January 2005, other than Mr I.D. Burrell and Mr D.G. Holden, and other interests are shown below. The interests of Mr I.D. Burrell and Mr D.G. Holden are disclosed in the Annual Report of Marshalls plc.

	1 January 2005		31 December 2005	
	Shares No.	Options No.	Shares No.	Options No.
J.D. Anderson	42	1,467	42	-

The options disclosed were in respect of the Savings Related Share Option Scheme

Disclosure of Information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

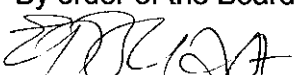
Share capital

Details of the Company's share capital are set out in note 6 to the Financial Statements.

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution reappointing KPMG Audit Plc as auditors for the ensuing year will be proposed at the Company's Annual General Meeting.

By order of the Board


E.A. Bleese, Secretary
Huddersfield
20 October 2006

Lloyds Quarries & Sand & Gravel Company Limited

Year ended 31 December 2005

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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 UK Accounting Standards.

The Financial Statements are required by law to 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 these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law the Directors are also responsible for preparing a Directors' Report that complies with that law.

Lloyds Quarries & Sand & Gravel Company Limited

Independent Auditors' Report to the Members of Lloyds Quarries & Sand & Gravel Company Ltd

We have audited the Financial Statements of Lloyds Quarries & Sand & Gravel Company Limited for the year ended 31 December 2005 which comprise the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities on page 4, the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
20 October 2006

KPMG Audit Plc

Lloyds Quarries & Sand & Gravel Company Limited

Balance Sheet as at 31 December 2005

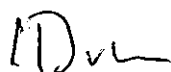
	Note	2005 £	2004 £
Current assets			
Debtors	5	51	51
		<hr/>	<hr/>
Net assets		51	51
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	51	51
Profit and loss account		-	-
		<hr/>	<hr/>
Shareholders' funds - equity		51	51
		<hr/>	<hr/>

The notes on pages 8 to 10 form part of these Financial Statements.

No profit and loss account is submitted as the Company has not traded during the current or preceding financial year.

The comparatives have been restated for the effect of the adoption of the new Reporting Standards as set out in note 1.

The Financial Statements were approved by the Board of Directors on 20 October 2006.



I.D. Burrell, Director

Lloyds Quarries & Sand & Gravel Company Limited

Statement of Total Recognised Gains and Losses for the year ended 31 December 2005

	Note	2005 £	2004 £ (As restated)
Ordinary dividends paid	4	-	(1,897,569)
		<hr/>	<hr/>
Total recognised loss for the financial period		-	(1,897,569)
		<hr/>	<hr/>

The notes on pages 8 to 10 form part of these Financial Statements.

The comparatives have been restated for the effect of the adoption of the new Reporting Standards as set out in note 1.

Lloyds Quarries & Sand & Gravel Company Limited

Notes to the Financial Statements

1. Accounting policies

The following paragraphs summarise the main accounting policies of the Company which have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements, except as noted below. In these Financial Statements, the following new standards have been adopted for the first time:-

- FRS 21 "*Events after the balance sheet date*";
- the presentational requirements of FRS 25 "*Financial instruments: presentation and disclosure*"; and
- FRS 28 "*Corresponding amounts*".

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption, FRS 21 "*Events after the balance sheet date*" has had no effect on these Financial Statements. FRS 28 "*Corresponding amounts*" has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. The corresponding amounts in these Financial Statements have been restated in accordance with the new policies.

a Basis of preparation

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b Cash flow statement and related party transactions

The Company was a wholly owned subsidiary of Marshalls Group plc (formerly Marshalls plc) (company number 481574) up until and including 7 July 2004 (the ultimate parent company at that time) and of Marshalls plc (company number 5100353) from 8 July 2004 (which became the ultimate parent company following a Court approved Scheme of Arrangement). Its results and balance sheet are included in the consolidated Financial Statements of Marshalls plc (company number 5100353), which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 "*Cash flow statements*" (Revised 1996). The Company is also exempt under the terms of FRS 8 "*Related party transactions*" from disclosing related party transactions and balances with entities that are part of the Marshalls plc Group (or investees of the Group qualifying as related parties).

There are no other related party transactions.

2. Operating costs

The Company's audit fee is borne by the parent company.

3. Employees

The only employees of the Company during the current and preceding financial year were the Directors.

Lloyds Quarries & Sand & Gravel Company Limited

Notes to the Financial Statements (continued)

3. Employees (continued)

No Directors' remuneration was paid during the financial year (2004: £Nil). The Company has not paid any pension contributions on behalf of any of the Directors. Mr I.D. Burrell and Mr D.G. Holden are remunerated by the parent company and Mr J.D. Anderson was remunerated by a fellow subsidiary undertaking.

Details of Directors' remuneration, share options, long term incentive plans and Directors' pension entitlements for Mr I.D. Burrell and Mr D.G. Holden are disclosed in the Remuneration Report section of the Marshalls plc Annual Report.

4. Ordinary dividend – equity shares

	2005 £	2004 £
Final: paid £Nil (2004: £37,207.23) per share	-	1,897,569

5. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	51	51

6. Share capital

	2005 £	2004 £
Authorised share capital: 500 (2004: 500) ordinary shares at £1 each	500	500
Alotted, called up and fully paid: 51 (2004: 51) ordinary shares of £1 each	51	51

Lloyds Quarries & Sand & Gravel Company Limited

Notes on the Financial Statements (continued)

7. Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
		(As restated)
Equity dividends paid	-	(1,897,569)
	<hr/>	<hr/>
Net movement in shareholders' funds	-	(1,897,569)
Shareholders' funds at beginning of year	51	1,897,620
	<hr/>	<hr/>
Shareholders' funds at end of year	51	51
	<hr/>	<hr/>

8. Pension costs

The Directors are entitled to participate in the Marshalls plc Pension Scheme (formerly the Marshalls Pension and Life Assurance Scheme) (the "Scheme") which has both a defined benefit and a defined contribution section. The assets of the Scheme are held in separately managed funds which are independent of the Group's finances. Full details of the Scheme are shown in the Annual Report of Marshalls plc.

9. Ultimate parent company

The company regarded by the Directors as the ultimate parent company is Marshalls plc which is incorporated in the United Kingdom and registered in England and Wales. The Annual Report of Marshalls plc is available from the Registered office at Birkby Grange, Birkby Hall Road, Birkby, Huddersfield HD2 2YA.