

COMPANY NUMBER: 593234

RMC READYMIX LIMITED

REPORT AND ACCOUNTS

31st December 2002



RMC READYMIX LIMITED

DIRECTORS' REPORT

31st December 2002

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

Principal activity, review of business and future activities

The company's continuing principal activity is the production of ready mixed concrete as agent for and on behalf of RMC (UK) Ltd which indemnifies the company against all losses and liabilities it may incur in pursuing that activity as agent. The directors do not anticipate any changes to the principal activity of the company in the foreseeable future.

The directors do not recommend the payment of a final dividend (2001: Nil).

Interests in land

All the company's interests in land are held in trust on behalf of RMC (UK) Ltd.

Directors

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

M G Foster
M J Halling
S R King
J A Robinson

M G Foster, a director of the company, is a director of the ultimate parent company, RMC Group p.l.c. and his interests are disclosed in that company's accounts.

The other directors, and their interests in the ordinary shares of 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 |
| M J Halling | 5,473 | 5,355 | 50,282 | 17,500 | Nil | Nil | 32,782 | Nil | Nil | 3,500 | 3,500 |
| S R King | 1,718 | 842 | 36,105 | 13,451 | Nil | 3,464 | 26,118 | Nil | Nil | 2,400 | 2,400 |
| J A Robinson | 25,247 | 25,129 | 41,118 | 17,500 | Nil | Nil | 23,618 | 14,000 | Nil | 6,200 | 20,200 |

None of the directors had any material interest in any contract or arrangement subsisting during the year with the company or any other body corporate in the group other than those interests noted above.

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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

RMC READYMIX LIMITED

DIRECTORS' REPORT

31st December 2002

Statement of directors' responsibilities (continued)

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
and signed on its behalf by

11 June

2003



Secretary

RMC READYMIX LIMITED**AUDIT REPORT****Independent auditors' report to the members of RMC Readymix Limited**

We have audited the financial statements which comprise the balance sheet and the related notes.

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 into 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.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


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 have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

11 June 2003

RMC READYMIX LIMITED

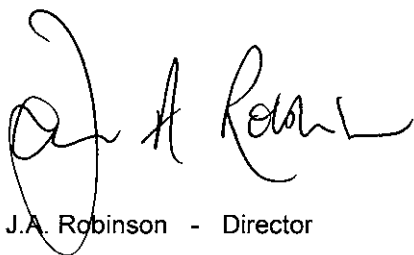
BALANCE SHEET

at 31st December 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|-----------|-----------|
| Current assets | | | |
| Debtors: Amount falling due after more than one year | 5 | 2 | 2 |
| Net assets | | <u>2</u> | <u>2</u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 2 | 2 |
| Equity shareholders' funds | | <u>2</u> | <u>2</u> |

There were no recognised gains and losses during 2002 and 2001 and therefore no statement of total recognised gains and losses has been presented.

The financial statements on pages 4 to 6 were approved by the Board of Directors on 11 June 2003 and signed on its behalf by:



J.A. Robinson - Director

RMC READYMIX LIMITED
NOTES TO THE ACCOUNTS

31st December 2002

1. Principal accounting policies

The accounts are prepared in accordance with the Companies Act 1985 and applicable accounting standards, on a going concern basis.

A summary of the more significant accounting policies which have been applied consistently throughout the year, is shown below.

2. Basis of accounting - accounting convention

The accounts are prepared using the historical cost convention.

3. Profit and loss account

A profit and loss account has not been prepared for the year ended 31st December 2002 as the company has not traded on its own account during the year. It has made neither profits nor losses and all expenses incurred by the company, including the remuneration of auditors, have been borne by RMC (UK) Limited.

4. Employee costs

Staff costs

The company is party to employment contracts. Costs under these contracts are borne by the company's principal, RMC (UK) Limited, and disclosure of these costs and the average number of employees are included within that company's accounts.

Directors' emoluments

No remuneration was paid to the directors of the company for their services to the company as directors.

| | | |
|---|-------------|-------------|
| 5. Debtors | 2002 | 2001 |
| Amounts falling due after more than 1 year | £ | £ |

| | | |
|--------------------------------|-------|-------|
| Amount due from parent company | 2 | 2 |
| | <hr/> | <hr/> |

Amounts owed by group undertakings are unsecured, interest free, and have no fixed date of repayment.

| | | |
|-----------------------------------|-------------|-------------|
| 6. Called up share capital | 2002 | 2001 |
| | £ | £ |

| | | |
|--|-------|-------|
| Authorised 2,500 ordinary shares of £1 each | 2,500 | 2,500 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid 2 ordinary shares of £1 each | 2 | 2 |
| | <hr/> | <hr/> |

RMC READYMIX LIMITED**NOTES TO THE ACCOUNTS****31st December 2002****7. 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) from preparing a cash flow statement.

8. 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.

9. Contingent liabilities

The Company has entered into a joint and several guarantee with certain group companies guaranteeing a group bank overdraft 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.

10. Ultimate parent company

The company's ultimate parent company and controlling party is RMC Group p.l.c. which is registered in Great Britain.

The RMC Group is the largest 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 of the company, RMC House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.