

COMPANY NUMBER: 837688

RMC PROPERTIES LIMITED

REPORT AND ACCOUNTS

31st December 2003



LD2
COMPANIES HOUSE

LN6WH2RM

0129
29/10/04

RMC PROPERTIES LIMITED

DIRECTORS' REPORT

31st December 2003

The directors present their report and the audited financial statements for the year ended 31st December 2003.

Principal activity and future developments

The principal activity of the company throughout the year continued to be the development for sale of land and buildings owned by RMC Group companies, the investment in properties associated with the group's activities and the provision of advisory services relating to the group.

The directors do not envisage any major change in the principal activity of the business over the foreseeable future.

The directors consider the company's financial position at the end of the year to have been satisfactory.

Results and dividend

The profit for the year attributable to shareholders was £648,156 (2002: £195,967 loss) and was transferred to reserves. The directors do not recommend the payment of a dividend (2002: £Nil).

Interests in land

In the opinion of the directors, the current open market value of the company's interests exceeds the amount at which the assets are included in the balance sheet at 31st December 2003 of £39,492 (2002: £39,492) by approximately £Nil (2002: £Nil). In the event of a disposal at the amount of the valuation, a taxation liability may arise.

Directors

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

S Barrett (appointed 1st April 2004)
 M L Collins (appointed 1st April 2004)
 M G Foster (resigned 6th August 2004)
 J A Robinson (resigned 1st April 2004)

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

J A Robinson's interests in RMC Group p.l.c. were:

	Fully Paid Shares			Options to Purchase Shares			Long Term Incentive Plan				
	31 Dec 2003	31 Dec 2002 or Date of Appointment	31 Dec 2003	Granted During Year	Exercised During Year	Lapsed During Year	31 Dec 2002 or Date of Appointment	31 Dec 2003	Award During Year	Lapsed During Year	31 Dec 2002 or Date of Appointment
J A Robinson	25,561	25,247	58,618	17,500	Nil	Nil	41,118	Nil	Nil	14,000	14,000

None of the directors had any material interests 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.

RMC PROPERTIES LIMITED**DIRECTORS' REPORT****31st December 2003****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 as at the end of the financial year 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 that for property disposals as described in the accounting policy note. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31st December 2003 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.

Approved by the Board on 19 October 2004.
and signed on its behalf by



Secretary

RMC PROPERTIES LIMITED**Independent auditors' report to the members of RMC Properties Limited**

We have audited the financial statements which comprise the profit and loss account, 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.

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 31st December 2003 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
West London

19 October 2004

RMC PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
for year ended 31st December 2003

	Note	2003 £	2002 £
Turnover	2	1,454,804	1,367,403
Cost of sales		(735,896)	(1,610,613)
Gross profit/(loss)		<u>718,908</u>	<u>(243,210)</u>
Administrative expenses		(68,752)	(67,450)
Operating profit/(loss)		<u>650,156</u>	<u>(310,660)</u>
Other interest receivable and similar income	5	-	27,693
Profit/(loss) on ordinary activities before taxation	3	<u>650,156</u>	<u>(282,967)</u>
Tax (charge)/credit on profit/(loss) on ordinary activities	6	(2,000)	87,000
Profit/(loss) for the year attributable to shareholders		<u>648,156</u>	<u>(195,967)</u>
Movement on profit and loss account			
Retained (loss) at 1st January		(195,967)	-
Profit/(loss) for the year attributable to shareholders		648,156	(195,967)
Retained profit/(loss) at 31st December		<u>452,189</u>	<u>(195,967)</u>

All the operations in 2003 and 2002 were continuing operations and there were no acquisitions in either year.

In 2003 and 2002 the company had no recognised gains or losses other than the profit/loss for the financial year, and therefore no statement of total recognised gains and losses has been presented.

There is no difference between the profit/loss on ordinary activities before taxation for the year and the retained loss stated above, and their historical cost equivalents.

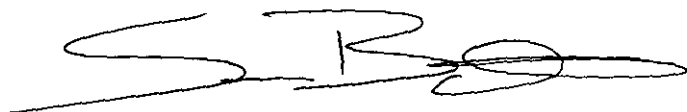
RMC PROPERTIES LIMITED

BALANCE SHEET

at 31st December 2003

	Note	£	2003 £	£	2002 £
Current assets					
Stock	7	6,366,435		4,810,531	
Debtors	8	15,306		3,527,954	
Cash at bank and in hand		100		220	
		<u>6,381,841</u>		<u>8,338,705</u>	
Creditors: amounts falling due within one year					
Creditors	9	4,777,976		931,237	
Loan from RMC Group p.l.c.	10	1,151,576		7,603,335	
		<u>5,929,552</u>		<u>8,534,572</u>	
Net current assets/(liabilities)			452,289		(195,867)
Net assets/(liabilities)			<u>452,289</u>		<u>(195,867)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account			452,189		(195,967)
Shareholders' equity funds/(deficit)	13		<u>452,289</u>		<u>(195,867)</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 19 October 2004 and signed on its behalf by:



S Barrett - Director

RMC PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****31st December 2003****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 with the exception of property disposals, is shown below.

Basis of accounting - accounting convention

The accounts have been prepared using the historical cost convention.

Turnover

Turnover principally comprises rents, property sales and professional services at invoiced value, excluding value added tax.

Disposals of properties

Disposals of properties arise from the ordinary activities of the company and profits and losses thereon are included in the operating profit for the financial year. Disposals of properties are recognised on completion. This represents a change in policy from that previously adopted, but does not have any material effect on the results for 2003 or 2002, and therefore the prior year results have not been restated.

Pensions

The company's pension obligations are financed by payments to group funded defined benefit schemes, details of which are disclosed in the accounts of RMC Group p.l.c. These funds are valued triennially and the funding payments are assessed in accordance with the advice of an independent professionally qualified actuary. The annual cost of these pension arrangements is charged in arriving at the operating profit for the year. Adjustment is made by RMC Group p.l.c. on a group basis so as to provide pension costs over the period of service of members of the scheme.

Operating leases

Costs incurred in respect of operating leases are charged in arriving at operating profit for the year.

Deferred taxation

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.

RMC PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

31st December 2003

1. Principal accounting policies (continued)

Stock

Stock and work in progress are stated at the lower of cost and net realisable value. Stock comprises land assets. Work in progress comprises site development costs where there is a reasonable expectation of their recovery upon sale.

Debtors

All known bad debts in respect of trade debtors are written off or fully provided.

2. Turnover

All turnover arose within the United Kingdom.

3. Profit/(loss) on ordinary activities before taxation

2003	2002
£	£

Profit/(loss) on ordinary activities before taxation is stated after charging:

Depreciation of tangible assets	-	2,102
Operating lease rentals – other than plant and machinery	11,641	9,012
Auditors' remuneration – audit services	2,500	-
	<hr/>	<hr/>

The auditors' remuneration was borne by RMC (UK) Limited in 2002.

4. Employee costs

2003	2002
£	£

Staff costs during the year

Wages and salaries	226,056	230,147
Social security costs	20,246	20,303
Other pension costs	19,906	18,192
	<hr/>	<hr/>
	266,208	268,642
	<hr/>	<hr/>

2003	2002
No.	No.

Average number of persons employed by the company during the year	6	6
	<hr/>	<hr/>

Directors' emoluments

No remuneration was provided for any director during 2003 or 2002 for their services to the company.

RMC PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

31st December 2003

5.	Interest receivable and similar income	2003 £	2002 £
	Bank interest	-	27,693
		<hr/>	<hr/>
6.	Tax charge/(credit) on profit/(loss) on ordinary activities	2003 £	2002 £
	Analysis of taxation charge		
	Current taxation:		
	United Kingdom corporation tax at the rate of 30% (2002: 30%)	-	-
	on the profits on ordinary activities for the year	-	(85,000)
	(Receipt) for group relief	-	(85,000)
		<hr/>	<hr/>
	Deferred taxation:		
	Adjustments in respect of previous periods	2,000	(2,000)
		<hr/>	<hr/>
		2,000	(2,000)
		<hr/>	<hr/>
	Tax charge/(credit) on profit/(loss) on ordinary activities	2,000	(87,000)
		<hr/>	<hr/>
	Reconciliation of current tax charge		
	The corporation tax for the period is lower than the standard rate of 30%. The reasons for the difference are explained below:		
	Profit/(loss) on ordinary activities before tax	650,156	(282,967)
		<hr/>	<hr/>
	Corporation tax at 30%	195,047	(84,890)
	Adjustment for effect of:		
	Group losses claimed without payment	(194,800)	-
	Rounding adjustment	(247)	(110)
		<hr/>	<hr/>
	Current tax charge for the period	-	(85,000)
		<hr/>	<hr/>
	There are no known specific factors that will impact the tax charge in future years.		
7.	Stock	2003 £	2002 £
	Land and buildings	39,492	39,492
	Work in progress	6,326,943	4,771,039
		<hr/>	<hr/>
		6,366,435	4,810,531
		<hr/>	<hr/>

RMC PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

31st December 2003

8. Debtors	2003	2002
	£	£
Amounts falling due within one year		
Trade debtors	5,350	56,668
Amounts owed by fellow subsidiary undertakings	-	3,459,518
Prepayments and accrued income	9,956	9,768
Deferred tax asset (note 11)	-	2,000
	<u>15,306</u>	<u>3,527,954</u>
9. Creditors: amounts falling due within one year	2003	2002
	£	£
Unsecured:		
Trade creditors	195,910	363,105
Amounts owed to fellow subsidiary undertakings	3,736,760	-
Other creditors	-	135,394
Accruals and deferred income	830,703	432,738
Other taxation and social security	14,603	-
	<u>4,777,976</u>	<u>931,237</u>
10. Loan from RMC Group p.l.c.	2003	2002
	£	£
The loan is unsecured, free of interest, and has no fixed date of repayment.	<u>1,151,576</u>	<u>7,603,335</u>
11. Deferred taxation		
Deferred taxation has been recognised at the rate of 30% (2002: 30%) on the following timing differences:		
	2003	2002
	£	£
Accelerated capital allowances and expense provisions	-	2,000
At 31st December	<u>-</u>	<u>2,000</u>
Movement in the year		
Deferred tax asset at 1st January	2,000	-
(Charge)/Credit to profit and loss account for the period	(2,000)	2,000
Deferred tax asset at 31st December	<u>-</u>	<u>2,000</u>

RMC PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

31st December 2003

12. Called up share capital	2003	2002
	£	£
Authorised share capital allotted, called up and fully paid 100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
13. Reconciliation of movements in shareholders' funds/(deficit)	2003	2002
	£	£
Profit/(loss) attributable to shareholders	648,156	(195,967)
Shareholders' funds/(deficit) at 1st January	(195,867)	100
Shareholders' funds/(deficit) at 31st December	<hr/> 452,289 <hr/>	<hr/> (195,867) <hr/>

14. Contingent liabilities

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

The company is registered with HM 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.

15. Obligations and commitments under leases	2003	2002
	£	£
Operating leases		
At 31st December the company had annual commitments under non-cancellable operating leases expiring as follows:		
- within one year	-	1,695
- within two to five years	7,954	4,725
	<hr/> 7,954 <hr/>	<hr/> 6,420 <hr/>

There are no obligations in respect of land & buildings.

16. Pension commitments

The company participates in a defined benefit pension scheme operated by RMC Group p.l.c. for its UK employees, with assets held in a separately administered fund. However, the contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of contributions of the group scheme amounted to £19,906 (2002: £18,192), being 5% (2002: 4.5%) of pensionable salary, and is based on the pension costs across the group as a whole. An actuarial valuation of the scheme was undertaken on 31st March 2003 and an actuarial deficit of £19,600,000 was identified. It has been agreed with the Trustees that contributions to the scheme will be increased from 1st January 2004.

17. 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 exempt under FRS 1 (revised 1996) from preparing a cash flow statement.

RMC PROPERTIES LIMITED**NOTES TO THE ACCOUNTS****31st December 2003****18. 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 exempt under FRS 8 from disclosing transactions with entities that are part of the RMC Group or investees of the RMC Group qualifying as related parties.

19. Ultimate parent company

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

The RMC Group is the largest and 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 its registered office at RMC House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.