

COMPANY NUMBER: 889829

RMC AGGREGATES (EASTERN) LIMITED

REPORT AND ACCOUNTS

31st December 2003



RMC AGGREGATES (EASTERN) LIMITED**DIRECTORS' REPORT****31st December 2003**

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

Principal activity and future developments

The company's principal activity is the winning of aggregates 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. As from 1st January 2004 the principal activity of the company as agent has become logistics management for and on behalf of RMC (UK) Ltd.

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:

D G Brook (resigned 28th April 2004)
P J Hutchins (resigned 9th April 2003)
D S Neave (resigned 28th April 2004)
J A Robinson (resigned 1st April 2004)
I R Bolger (appointed 28th April 2004)
G G Hepburn (appointed 28th April 2004)
C A Leese (appointed 28th April 2004)

The directors 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 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
D G Brook	372	372	29,688	7,054	Nil	Nil	22,634	Nil	Nil	Nil	Nil
D S Neave	23,135	22,821	58,739	17,500	Nil	Nil	41,239	Nil	Nil	14,000	14,000
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 interest in any contract or arrangement subsisting during the year with the company or any other body corporate in the group other than the 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 31st December 2003 and that applicable accounting standards have been followed.

RMC AGGREGATES (EASTERN) LIMITED**DIRECTORS' REPORT****31st December 2003****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.

Approved by the Board on 10 June 2004
and signed on its behalf by



Secretary

RMC AGGREGATES (EASTERN) LIMITED

BALANCE SHEET

at 31st December 2003

	Note	2003 £	2002 £
Debtor due in more than one year:			
Loan to RMC Group p.l.c.		<u>13,750</u>	<u>13,750</u>
Capital and reserves			
Called up share capital :	5	<u>13,750</u>	<u>13,750</u>

There are no recognised gains or losses for the year ended 31st December 2003 or 31st December 2002 and therefore no statement of total recognised gains and losses has been presented.

For the year ended 31 December 2003 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 3 to 5 were approved by the Board of Directors on 10 June 2004 and signed on its behalf by:


G G Hebburn - Director

RMC AGGREGATES (EASTERN) 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, 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 2003 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, 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. Called up share capital

	2003 £	2002 £
Authorised share capital	<u>16,000</u>	<u>16,000</u>
Share capital allotted, called up and fully paid		
13,750 ordinary shares of £1 each	<u>13,750</u>	<u>13,750</u>

6. 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.

7. 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.

RMC AGGREGATES (EASTERN) LIMITED**NOTES TO THE ACCOUNTS****31st December 2003****8. 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.

9. Ultimate parent company

The company's ultimate parent company and controlling party is RMC Group p.l.c., which is registered in Great Britain. Copies of the ultimate parent company's group accounts are available from its registered office at RMC House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.