

## **AI Properties Limited**

### **Directors' report and financial statements**

For the year ended 31<sup>st</sup> December 2001  
Registered in England number 988051



## **Directors' report and financial statements**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

### Principal activities and business review

The company's principal business is that of property ownership.

The directors are satisfied with the performance of the business throughout the year, and its financial position at the balance sheet date.

### Results and dividends

The profit for the year after taxation amounted to £496,000 (2000 £223,000).

The directors do not recommend payment of a dividend (2000: £Nil) and the profit of £496,000 has been transferred to reserves.

### Directors and directors' interests

The directors who served during the year and subsequently were as follows:

PR Bartrop  
 GW Bolsover (appointed 2 January 2001)  
 P Fleetham  
 GW Parkin  
 RW Snape (resigned 31 October 2001)  
 D Tidmarsh (resigned 2 January 2001)

No director had any interest in the shares of the company.

Mr GW Bolsover also served as director of the ultimate parent undertaking, Aggregate Industries plc. His interests in the share capital of Aggregate Industries plc are shown in the financial statements of that company.

The beneficial interests of the other directors in the 25p ordinary shares of Aggregate Industries plc at the year end were as follows:

	Aggregate Industries plc Ordinary 25p shares		Aggregate Industries plc Share Option Schemes	
	31 December 2001	1 January 2001	31 December 2001	1 January 2001
P Fleetham	11,311	-	183,671	286,211
GW Parkin	-	-	246,395	236,398

The interests of the other directors in the share capital of Aggregate Industries plc do not require to be disclosed in these financial statements.

**Directors' report** *(continued)*

**Auditors**

In accordance with Section 386 of the Companies Act 1985, an elective resolution has been filed in order to dispense with the requirement to appoint auditors annually.

By order of the board



**KC Barker**  
*Secretary*

Bardon Hill  
Coalville  
Leicestershire  
LE67 1TL

4 March 2002

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## Independent auditors' report to the members of AI Properties Limited

We have audited the financial statements on pages 5 to 10.

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the company 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 as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

4 March 2002

## Profit and loss account

*for the year ended 31 December 2001*

	<i>Note</i>	<b>2001</b> <b>£000</b>	2000 £000
<b>Turnover</b>	2	<b>226</b>	230
Cost of sales		<b>(185)</b>	(198)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>41</b>	32
Administration		<b>(7)</b>	(15)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>34</b>	17
Profit on disposal of fixed assets		<b>508</b>	256
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>542</b>	273
Tax on profit on ordinary activities	3	<b>(46)</b>	(50)
		<hr/>	<hr/>
<b>Profit for the year</b>	9	<b>496</b>	223
		<hr/>	<hr/>

The results for both years relate entirely to continuing activities.

## Statement of total recognised gains and losses

No separate statement of total recognised gains and losses has been prepared as all such gains and losses are included in the profit and loss account for 2001 and 2000.

## Note of historical cost profit and losses

	<b>2001</b> <b>£000</b>	2000 £000
<b>Reported profit on ordinary activities before taxation</b>	<b>542</b>	273
Realisation of property revaluation gains of previous years	<b>10</b>	71
Difference between historical cost depreciation and actual depreciation charge for the year calculated on the revalued amount	<b>37</b>	39
	<hr/>	<hr/>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>589</b>	383
	<hr/>	<hr/>
<b>Historical cost profit for the year after taxation</b>	<b>543</b>	333
	<hr/>	<hr/>

**Balance sheet**  
*at 31 December 2001*

	<i>Note</i>	<b>2001</b> <b>£000</b>	<b>2000</b> <b>£000</b>
<b>Fixed assets</b>			
Tangible assets	5	<b>3,661</b>	3,987
<b>Current assets</b>			
Trade debtors		10	-
Cash at bank and in hand		<b>1,200</b>	177
		<b>1,210</b>	177
<b>Creditors: Amounts falling due within one year</b>	6	<b>(101)</b>	(102)
<b>Net current assets</b>		<b>1,109</b>	75
<b>Total assets less current liabilities</b>		<b>4,770</b>	4,062
<b>Creditors: Amounts falling due after more than one year</b>	7	<b>(3,579)</b>	(3,367)
		<b>1,191</b>	695
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Revaluation reserve	9	<b>870</b>	917
Profit and loss account	9	<b>321</b>	(222)
<b>Shareholders' funds - equity interests</b>	10	<b>1,191</b>	695

These financial statements were approved by the board of directors on 4 March 2002 and were signed on its behalf by:

  
**PR Barltrop**  
*Director*



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### *Basis of preparation*

The company's financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement on the grounds that its cash flows are included within the consolidated cash flow of Aggregate Industries plc.

#### *Tangible fixed assets*

Depreciation is provided on a straight line basis to charge the cost of tangible fixed assets, less their estimated residual values, over their estimated useful lives.

Freehold buildings and structures are depreciated on a straight line basis over 50 years, or their remaining useful lives, whichever is the shorter.

Freehold land is not depreciated.

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences to the extent that it is probable that the timing differences will crystallise.

### 2 Turnover

Turnover comprises rentals receivable all of which arose in the United Kingdom.

### 3 Tax on profit on ordinary activities

The charge for taxation is as follows:

	2001 £000	2000 £000
Based on the profit for the year:		
Corporation tax	50	50
Adjustment in respect of prior years:		
Corporation tax	(4)	-
	<hr/> 46	<hr/> 50

### 4 Employees and directors

The company employed no personnel, other than directors, during 2001 or 2000.

No directors received emoluments in respect of services rendered to the company (2000: £Nil).

## Notes (continued)

### 5 Tangible fixed assets

	<b>Freehold property £000</b>
<i>Cost or valuation</i>	
At 1 January 2001	4,448
Disposals	(232)
<b>At 31 December 2001</b>	<b>4,216</b>
<i>Depreciation</i>	
At 1 January 2001	461
Charge for the year	118
Disposals	(24)
<b>At 31 December 2001</b>	<b>555</b>
<i>Net book value</i>	
<b>At 31 December 2001</b>	<b>3,661</b>
At 1 January 2001	3,987
Cost or valuation at 31 December 2001 comprises:	
	£000
Cost	2,613
Valuation in 1999	1,603
	<b>4,216</b>

Freehold property includes land amounting to £444,000 (2000: £448,000) which is not depreciated.

Land and buildings were valued on an existing use basis by the directors in 1999 and would appear as follows under the historical cost convention:

	<b>2001 £000</b>	<b>2000 £000</b>
Cost	685	817
Accumulated depreciation	(157)	(137)
	<b>528</b>	<b>680</b>

## Notes (continued)

### 6 Creditors: Amounts falling due within one year

	2001 £000	2000 £000
Trade creditors	4	24
Corporation tax	56	57
Accruals	41	21
	<hr/> 101	<hr/> 102

### 7 Creditors: Amounts falling due after more than one year

	2001 £000	2000 £000
Amounts owed to group undertakings	3,579	3,367

### 8 Share capital

	2001 £	2000 £
<i>Authorised:</i> 100 ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid:</i> 3 ordinary shares of £1 each	3	3

### 9 Reserves

	Revaluation reserve £000	Profit and loss account £000
At 1 January 2001	917	(222)
Amortisation of revaluation reserve	(37)	37
Realisation of revaluation reserve	(10)	10
Profit for the year	-	496
 At 31 December 2001	 870	 321

## Notes (continued)

### 10 Reconciliation of movement in shareholders' funds

	2001 £000	2000 £000
Shareholders' funds at 1 January 2001	695	472
Profit for the year	496	223
	<hr/>	<hr/>
Shareholders' funds at 31 December 2001	1,191	695

### 11 Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Aggregate Industries plc group. There are no other transactions with related parties.

### 12 Ultimate parent undertaking

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Aggregate Industries plc, the ultimate parent undertaking, incorporated in Great Britain.

Copies of Aggregate Industries plc's financial statements may be obtained from Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ.