

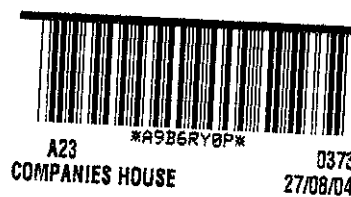
1021187

Kennedy Asphalt Limited

Directors' report and financial statements

For the year ended 31st December 2003

Registered number 1021187



Directors' report

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

Principal activities and business review

The company did not trade during the year.

Directors and directors' interests

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

H Armitage
 PR Barltrop
 GWBolsover
 SDB Carter
 JF Fox

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

Mr GW Bolsover is also a director of the ultimate parent undertaking, Aggregate Industries plc. His interest in the share capital of Aggregate Industries plc is shown in the financial statements of that company.

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

	Aggregate Industries plc 25p ordinary shares		Aggregate Industries plc Share option schemes	
	31 December 2003	1 January 2003	31 December 2003	1 January 2003
PR Barltrop	79,011	68,411	407,332	470,581
H Armitage	196	-	253,511	85,726
SDB Carter	-	-	55,000	25,000
JF Fox	196	-	22,500	10,000

Auditors

For the year ended 31 December 2003, the company was entitled to exemption from audit under Section 249AA and 249B of the Companies Act 1985.

By order of the board



KC Barker
Secretary

Bardon Hill
 Coalville
 Leicestershire
 LE67 1TL

19 January 2004

Statement of directors' responsibilities

The Companies Act 1985 requires the directors to prepare accounts 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 the accounts, 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 accounts; and
- prepare the accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They have a 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.

Profit and loss account

for the year ended 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Turnover	2	-	21,447
Cost of sales		-	(19,891)
		<hr/>	<hr/>
Gross profit		-	1,556
Distribution costs		-	(40)
Administrative expenses		-	(1,873)
		<hr/>	<hr/>
Operating loss		-	(357)
Exceptional items			
Profit on transfer of trade		-	2,719
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	-	2,362
Tax on profit on ordinary activities	4	-	(85)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		-	2,277
Dividend paid – interim		-	(2,314)
		<hr/>	<hr/>
Retained loss for the year		-	(37)
		<hr/>	<hr/>

Operating loss for both years relates entirely to discontinued 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 for 2003 and 2002 are included in the profit and loss accounts for those years.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Amounts due from group undertaking		100	100
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		-	-
Shareholders' funds - equity interests	7	100	100

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

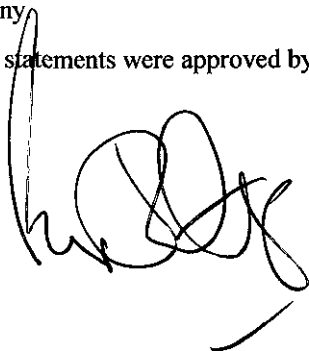
No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- a) Ensuring the company keeps accounting records which comply with section 221:
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and 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

These financial statements were approved by the board of directors on 19 January 2004 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, except as noted, in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

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

Change in accounting policy

FRS 19 – Deferred tax has been adopted with effect from 1 January 2003. As described below, FRS 19 requires deferred tax to be recognised on a full provision basis on all timing differences

Tangible fixed assets

The cost of tangible fixed assets, less their estimated residual values, is written off by equal annual instalments over their expected useful lives as follows:

Leasehold buildings	-	over the life of the lease
Plant and equipment	-	4.75% - 15%
Motor vehicles	-	25% reducing balance

Investments

Investments are stated at cost less provision for impairment.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligation is charged to the profit and loss account so as to produce a constant periodic rate of charge. Rentals in respect of all other leases are charged to the profit and loss account as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value.

Cost comprises the actual cost of raw materials and an appropriate proportion of labour and overheads in the case of finished goods. Provision is made for any obsolete or slow moving items.

Deferred taxation

Deferred tax is provided in full, without discounting, in respect of all timing differences that have originated but not yet reversed at the balance sheet date using the tax rates expected to apply based upon current rates.

Pension costs

Pension costs are accounted for under the provisions of Statement of Standard Accounting Practice 24, 'Accounting for pension costs'. The expected cost to the company of pensions in respect of defined benefit pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the average expected service lives of employees in the schemes.

Notes (continued)

2 Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of VAT.

Other than an insignificant amount, all sales are made in the United Kingdom.

3 Profit on ordinary activities before taxation

	2003 £000	2002 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation of tangible fixed assets:		
Owned assets	-	136
Assets held under finance leases and hire purchase agreements	-	14
Auditors' remuneration - auditors services	-	-
- non audit services	-	-
	<u> </u>	<u> </u>

4 Taxation on profit on ordinary activities

The charge for taxation is as follows:

	2003 £000	2002 £000
Based on the profit for the year:		
Corporation tax	-	65
Adjustment in respect of prior years	-	6
	<u> </u>	<u> </u>
Total current tax	-	71
	<u> </u>	<u> </u>
Deferred tax	-	14
Adjustment in respect of prior years	-	-
	<u> </u>	<u> </u>
Total deferred tax	-	14
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	85
	<u> </u>	<u> </u>

Notes (continued)

4 Taxation on profit on ordinary activities (continued)

Factors affecting current tax charge for the year

The standard rate of UK corporation tax for the year is 30% (2002: 30%)

The actual tax charge calculated for the current year is equal to (2002: lower) than the standard rate for the reasons set out below:

	2003 £000	2002 £000
Profit on ordinary activities before taxation	-	2,362
Tax on profit on ordinary activities at the standard rate	-	709
Non-deductible items	-	23
Non-taxable items	-	(816)
Deferred tax	-	(14)
Deferred tax – net movement on unprovided deferred tax asset	-	163
Adjustment in respect of prior years	-	6
Total current tax	-	71

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

2003 Number	2002 Number
5	121

The aggregate payroll costs of these persons were as follows:

	2003 £000	2002 £000
Wages and salaries	-	3,163
Social security costs	-	282
Other pension costs	-	76
	-	3,521
Directors remuneration		
Emoluments	-	144

Notes (continued)

6 Share capital

	2003	2002
	£000	£000
<i>Authorised, allotted, called up and fully paid:</i>		
100,000 Ordinary shares of £1 each	100	100

7 Reconciliation of movement in shareholders' funds

	2003	2002
	£000	£000
Profit for the financial year	-	2,277
Dividends	-	(2,314)
	-	(37)
Opening shareholders' funds	100	137
Closing shareholders' funds	100	100

8 Related party transactions

There were no transactions of a material nature which require disclosure.

9 Ultimate parent undertaking

The parent undertaking of the group of undertakings for which group accounts 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.