

Tarmac Cardiff Limited

Directors' report and financial statements

For the year ended 31 December 1996

Registered number 2630590



Tarmac Cardiff Limited

Directors' report and financial statements

| <i>Contents</i> | <i>Page</i> |
|-------------------------|-------------|
| Directors' report | 1 |
| Auditors' report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes | 7 |

Tarmac Cardiff Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Business review

The company is principally engaged in the retention and disposal of land and property for development purposes.

The result for the year was as follows:

| | 1996 £ | 1995 £ |
|---|-----------------|------------------|
| Turnover | <u>Nil</u> | <u>3,700,000</u> |
| Profit on ordinary activities before taxation | 36,534 | 35,000 |
| Tax on profit on ordinary activities | <u>(12,500)</u> | <u>(11,550)</u> |
| Profit on ordinary activities after taxation | <u>24,034</u> | <u>23,450</u> |

The directors anticipate that the company will continue to perform in its present role during 1997.

Proposed dividend

The directors do not recommend the payment of a dividend (1995: £Nil).

Creditor payment policy

The company does not adopt any specific code or standard, however, it is the company's policy to pay its suppliers in accordance with the terms and conditions agreed prior to the commencement of trading provided that the supplier has met its contractual obligations.

Directors and directors' interests

The directors serving during the year were:

GA Cooper
SP Eastwood
JJ McCormack (resigned 1 July 1996)
B Pellard
BJ Sharples

No director had any interest in the share or loan capital of the company during the year.

Tarmac Cardiff Limited

Directors' report (continued)

Directors and directors' interests (continued)

Beneficial interests of the directors who held office at the end of the financial year and their families (other than where disclosed in the financial statements of the immediate or ultimate holding company) in the ordinary share capital of Tarmac PLC were as follows:

| | At 31 December 1996 | | At 1 January 1996 or later date of appointment | | Share option movements in year | | |
|-------------|---------------------|------------------|--|------------------|--------------------------------|-----------|--------|
| | Fully paid | Share options | Fully paid | Share options | Granted | Exercised | Lapsed |
| GA Cooper | 9,028 | 136,576 | 9,028 | 143,158 | 1,688 | - | 8,270 |
| BJ Sharples | 6,085 | 187,091 | 6,085 | 127,091 | 60,000 | - | - |
| B Pellard | 23,842 | 376,572 | 23,379 | 355,468 | 35,578 | - | 14,474 |
| SP Eastwood | - | 48,922 | - | 28,922 | 20,000 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

Directors' responsibilities statement

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 period. In preparing those 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;
- 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.

Tarmac Cardiff Limited

Directors' report (continued)

Auditors

During the year, KPMG resigned as auditors and the directors appointed KPMG Audit Plc to fill the casual vacancy. A resolution will be proposed at the forthcoming annual general meeting to ratify the appointment and to re-appoint KPMG Audit Plc for the forthcoming year.

Approved by order of the board of directors on 30 September 1997 and signed on its behalf by:



E McEwan
Secretary

Construction House
Wolverhampton
WV1 4HY



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Tarmac Cardiff Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 mis-statement, 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 September 1997



Tarmac Cardiff Limited

Profit and loss account for the year ended 31 December 1996

| | <i>Note</i> | 1996 £ | 1995 £ |
|--|-------------|----------------------|----------------------|
| Turnover | 2 | - | 3,700,000 |
| Cost of sales | | <u>37,434</u> | <u>(3,523,500)</u> |
| Gross profit | | 37,434 | 176,500 |
| Administrative expenses | | <u>(900)</u> | <u>(141,500)</u> |
| Profit on ordinary activities before taxation | 4 | 36,534 | 35,000 |
| Tax on profit on ordinary activities | 5 | <u>(12,500)</u> | <u>(11,550)</u> |
| Profit on ordinary activities after taxation | | 24,034 | 23,450 |
| Retained profit brought forward | | <u>23,450</u> | <u>-</u> |
| Retained profit carried forward | | <u>47,484</u> | <u>23,450</u> |

In both the current and preceding years, there was no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis.

There are no recognised gains or losses other than the profit for the year and the result for the previous year.

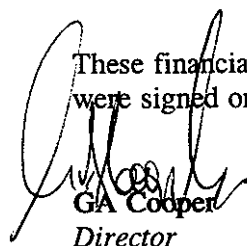
All of the company's operations are classified as continuing.

Tarmac Cardiff Limited

Balance sheet at 31 December 1996

| | Note | 1996 £ | 1995 £ |
|---|------|-----------------|------------------|
| Current assets | | | |
| Debtors | 6 | 61,486 | 1,019,736 |
| Creditors: Amounts falling due within one year | 7 | <u>(14,000)</u> | <u>(996,284)</u> |
| Net assets | | <u>47,486</u> | <u>23,452</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 2 | 2 |
| Profit and loss account | | <u>47,484</u> | <u>23,450</u> |
| Equity shareholders' funds | 9 | <u>47,486</u> | <u>23,452</u> |

These financial statements were approved by the board of directors on 30 September 1997 and were signed on its behalf by:


GA Cooper
Director

Tarmac Cardiff Limited

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 financial statements have been prepared in accordance with applicable accounting standards, under the historical cost convention.

A cash flow statement has not been prepared as permitted by paragraph 8c of Financial Reporting Standard 1.

2 Turnover

Turnover represents the sale of completed developments.

3 Directors' emoluments

The directors have neither received nor waived any emoluments during the year (1995: £Nil).

4 Profit on ordinary activities before and after taxation

| | 1996 £ | 1995 £ |
|--|------------|--------------|
| <i>Profit on ordinary activities before taxation is stated</i> | | |
| <i>after charging</i> | | |
| Auditors' remuneration | <u>900</u> | <u>1,500</u> |

5 Tax on profit on ordinary activities

| | 1996 £ | 1995 £ |
|------------------------|---------------|---------------|
| Corporation tax at 33% | <u>12,500</u> | <u>11,550</u> |

Tarmac Cardiff Limited

Notes (continued)

| | | | |
|---|---|---------------|------------------|
| 6 | Debtors | 1996 £ | 1995 £ |
| | Amounts owed by group undertakings | <u>61,486</u> | <u>1,019,736</u> |
| 7 | Creditors: Amounts falling due within one year | 1996 £ | 1995 £ |
| | Trade creditors | - | 16,678 |
| | Corporation tax | 12,500 | 11,550 |
| | Other taxation and social security | - | 644,275 |
| | Accruals | <u>1,500</u> | <u>323,781</u> |
| | | <u>14,000</u> | <u>996,284</u> |
| 8 | Share capital | 1996 £ | 1995 £ |
| | <i>Authorised:</i> | | |
| | 100 "A" ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| | <i>Allotted, called up and fully paid:</i> | | |
| | 2 "A" ordinary shares of £1 each | <u>2</u> | <u>2</u> |
| 9 | Reconciliation of movements in shareholders' funds | 1996 £ | 1995 £ |
| | Profit for the financial year | 24,034 | 23,450 |
| | Opening shareholders' funds | <u>23,452</u> | <u>2</u> |
| | Closing shareholders' funds | <u>47,486</u> | <u>23,452</u> |

Tarmac Cardiff Limited

Notes *(continued)*

10 **Ultimate holding company**

The company's ultimate holding company is Tarmac PLC which is incorporated in Great Britain.

Copies of the group financial statements for Tarmac PLC are available from Construction House, Wolverhampton, WV1 4HY.

11 **Related party transactions**

By virtue of the company being a wholly owned subsidiary included in the consolidated financial statements of a larger EU group, the company is exempt under Financial Reporting Standard 8 from disclosing transactions or balances with entities which are part of the group that qualify as related parties.