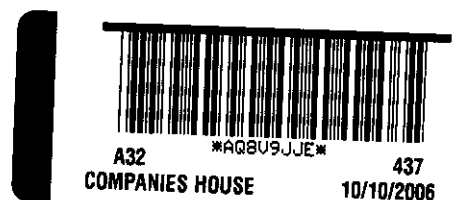


3060314

RECYCLED ROCK AND
AGGREGATE LIMITED
ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2006



RECYCLED ROCK AND AGGREGATE LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year to 31 March 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the supply, marketing and distribution of recycled aggregates. The company ceased trading with effect from 1st January 2006.

RESULTS AND DIVIDENDS

The retained loss for the period was £5,000. The directors recommend a dividend of £nil on the Ordinary Shares, (2005: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were as follows: -

R G Isaac
J F Yeoman
T Kent
J Morgan
K White
M J Isaac

None of the directors held any shares in the company during the period.

TAXATION STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

REGISTERED OFFICE

The Company's registered office is as follows:

160 Christchurch Road
Ringwood
Hampshire BH24 3AR

REGISTERED NUMBER

3060314

RECYCLED ROCK AND AGGREGATE LIMITED

REPORT OF THE DIRECTORS Cont'd

FIXED ASSETS

Movements in fixed assets are shown in note 5 to the accounts.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



K White
Secretary

11 September 2006

RECYCLED ROCK AND AGGREGATE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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.

In preparing these financial statements, the directors are required to:

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

RECYCLED ROCK AND AGGREGATE LIMITED

AUDITORS' REPORT TO THE MEMBERS OF RECYCLED ROCK AND AGGREGATE LIMITED

We have audited the financial statements of Recycled Rock and Aggregate Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RECYCLED
ROCK AND AGGREGATE LIMITED (CONTINUED)**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants and Registered Auditor
100 Temple Street
Bristol

11 September 2006

RECYCLED ROCK AND AGGREGATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 12 MONTHS ENDED 31 MARCH 2006

	Notes	2006 £'000	2005 £'000
REVENUE:			
Turnover	1	2,971	4,572
Sale of Assets		43	2
		<hr/> 3,014	<hr/> 4,574
TRADING EXPENDITURE:			
Raw materials		(2,046)	(2,755)
Other operating charges		(783)	(1,490)
Staff costs	2	(190)	(276)
Depreciation		(14)	(29)
		<hr/> (3,033)	<hr/> (4,550)
OPERATING (LOSS)/PROFIT	3	<hr/> (19)	<hr/> 24
INTEREST (PAYABLE)/RECEIVABLE		(1)	2
		<hr/> (20)	<hr/> 26
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	15	4
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<hr/> (5)	<hr/> 30
DIVIDENDS PAYABLE		-	-
RETAINED (LOSS)/PROFIT FOR THE PERIOD	12	<hr/> (5) =====	<hr/> 30 =====

The company had no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented. All the above results relate to discontinued operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the 12 months stated above, and their historical cost equivalent.

RECYCLED ROCK AND AGGREGATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	<u>2006</u> £'000	<u>2005</u> £'000
FIXED ASSETS			
Tangible assets	5	-	55
		<u>-</u>	<u>55</u>
CURRENT ASSETS			
Stocks	6	-	284
Debtors	7	22	885
Cash at Bank		40	-
		<u>62</u>	<u>1,169</u>
CREDITORS: amounts falling due within one year	8	(24)	(1,171)
		<u>-</u>	<u>-</u>
NET CURRENT ASSETS/(LIABILITIES)		38	(2)
		<u>38</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		38	53
PROVISIONS FOR LIABILITIES AND CHARGES	9	-	(10)
		<u>-</u>	<u>-</u>
NET ASSETS		<u>38</u>	<u>43</u>
CAPITAL AND RESERVES			
Called-up share capital	11	7	7
Profit and loss account	12	31	36
		<u>38</u>	<u>43</u>
EQUITY SHAREHOLDERS' FUNDS	13	<u>38</u>	<u>43</u>

The financial statements were approved by the board on 11 September 2006 and are signed on its behalf by:-

J F YEOMAN Director *John F Yeoman*

R G ISAAC Director

R Isaac

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 12 MONTHS ENDED 31 MARCH 2006**

STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting.

TURNOVER

Turnover represents the amounts (excluding value added tax) derived from the supply and distribution of stone aggregate during the year. Turnover is recognised once the stone has been dispatched from the company.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

STOCKS

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

DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets by equal installments over the estimated term of their useful lives as follows:

Furniture & Office	3 years
Static Plant	5-10 years

CASH FLOW STATEMENT

The company is exempt from the requirements of FRS1 to prepare a cashflow statement on the grounds of its size.

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2006

	<u>2006</u> £'000	<u>2005</u> £'000
1. TURNOVER		
Stone Sales including haulage	<u>2,971</u>	<u>4,572</u>
2. DIRECTORS AND EMPLOYEES STAFF COSTS	<u>2006</u> £'000	<u>2005</u> £'000
Wages and salaries	171	248
Social security costs	13	19
Other pension costs	6	9
	<u>190</u>	<u>276</u>

The average number of persons employed was 5 (2005: 5). All members of staff are on secondment from a shareholder, with all contracts of employment remaining with their original employer and the annual cost being recharged to Recycled Rock and Aggregate.

DIRECTORS' REMUNERATION

Staff costs including the following remuneration in respect of Directors of Recycled Rock and Aggregate Limited.

	<u>2006</u> £'000	<u>2005</u> £'000
Emoluments (included pension contributions and Benefits in kind)	<u>96</u>	<u>138</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>2006</u> £'000	<u>2005</u> £'000
Profit on ordinary activities is stated after charging		
Auditors' remuneration	9	6
Depreciation charge for year	14	29
Loss on disposal of fixed assets	2	3
Hire of plant and machinery	91	163
Hire of land and buildings	(13)	104

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2006

4. TAXATION	<u>2006</u> £'000	<u>2005</u> £'000
Corporation Tax		
Current tax on income for the year at 19% (2005: 19%)	5	(5)
Adjustment in respect of prior years	-	-
Total Current Tax	<u>5</u>	<u>(5)</u>
Deferred Tax		
Origination and reversal of timing difference	10	9
	<u>10</u>	<u>9</u>
Tax on Profit on ordinary activities	<u><u>15</u></u>	<u><u>4</u></u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2006</u> £'000	<u>2005</u> £'000
(Loss)/Profit on ordinary activities before tax	(20)	26
Tax on ordinary activities at 19% (2005: 19%)	<u>(4)</u>	<u>5</u>
Provisions not deductible for taxation purposes	(4)	(2)
Depreciation in excess of capital allowances	3	3
Difference in tax rate	-	(1)
Total current tax (credit)/charge (see above)	<u><u>(5)</u></u>	<u><u>5</u></u>

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2006

5.	TANGIBLE FIXED ASSETS	<u>2006</u> £'000	<u>2005</u> £'000
	Furniture, Office Equipment & Plant		
	COST		
	At 1 April 2005	131	143
	Additions in the period	2	7
	Disposals in the period	(133)	(19)
	At 31 March 2006	<u>-</u>	<u>131</u>
	DEPRECIATION		
	At 1 April 2005	76	63
	Charge for period	14	29
	Disposals	(90)	(16)
	At 31 March 2006	<u>-</u>	<u>76</u>
	NET BOOK VALUE		
	At 31 March 2006	<u>-</u>	<u>55</u>
6.	STOCKS	<u>2006</u> £'000	<u>2005</u> £'000
	Stone Stocks	<u>-</u>	<u>284</u>

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 12 MONTHS ENDED 31 MARCH 2006**

7. DEBTORS	<u>2006</u>	<u>2005</u>
	£'000	£'000
Trade debtors	17	881
Corporation Tax Debtor	4	-
Prepayments	1	4
	<hr/>	<hr/>
	22	885
	<hr/>	<hr/>

All debtors are due in less than one year.

8. CREDITORS: amounts falling due within one year	<u>2006</u>	<u>2005</u>
	£'000	£'000
Overdraft	-	494
Trade creditors	-	82
Amounts due to shareholding companies	-	423
Other creditors	-	48
Accruals	24	120
Corporation tax payable	-	4
	<hr/>	<hr/>
	24	1,171
	<hr/>	<hr/>

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2006

9. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Tax	<u>2006</u> £'000	<u>2005</u> £'000
Accelerated capital allowances	-	(4)
Non-specific provisions	-	(6)
	<hr/>	<hr/>
Provision at end of period	-	(10)
	<hr/>	<hr/>
Deferred tax provision brought forward	(10)	(19)
Deferred tax credit/(charge) in profit and loss account for period	10	9
	<hr/>	<hr/>
Provision at end of period included within provisions for liabilities and charges	-	(10)
	<hr/>	<hr/>

10. SHARE CAPITAL

	<u>2006</u> £'000	<u>2005</u> £'000
Authorised		
2,500 "A" Ordinary shares of £1 each	2.5	2.5
2,500 "B" Ordinary shares of £1 each	2.5	2.5
2,500 "C" Ordinary shares of £1 each	2.5	2.5
2,500 "D" Ordinary shares of £1 each	2.5	2.5
	<hr/>	<hr/>
	10.0	10.0
	<hr/>	<hr/>

Equal rights are attached to all classes of share capital.

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE 12 MONTHS ENDED 31 MARCH 2006**

11. SHARE CAPITAL	<u>2006</u> £'000	<u>2005</u> £'000
Allocated, called-up and fully paid		
2,500 "A" Ordinary shares of £1 each	2.5	2.5
2,500 "B" Ordinary shares of £1 each	2.5	2.5
2,500 "C" Ordinary shares of £1 each	2.5	2.5
	<u>7.5</u>	<u>7.5</u>
	=====	=====
12. PROFIT AND LOSS ACCOUNT	<u>2006</u> £'000	<u>2005</u> £'000
At 1 April 2005	36	6
Retained Profit for the period	(5)	30
	<u> </u>	<u> </u>
At 31 March 2006	31	36
	=====	=====
13. RECONCILIATION OF MOVEMENT IN SHAREHOLDER FUNDS	<u>2006</u> £'000	<u>2005</u> £'000
At 1 April 2005	43	13
Profit for the period	(5)	30
	<u> </u>	<u> </u>
At 31 March 2006	38	43
	=====	=====
14. ANNUAL COMMITMENTS		
	Land and buildings	
	<u>2006</u> £'000	<u>2005</u> £'000
Annual commitments in respect of non- cancelable operating leases expiring in the following periods are:		
Between one and five years	-	107

RECYCLED ROCK AND AGGREGATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 MARCH 2006

15. SHAREHOLDERS

Name	Shareholding	Country of Incorporation	Principal Activity
Foster Yeoman Limited	50% (2005: 50%)	England	Supply and distribution of aggregate
Raymond Brown Limited	50% (2005: 50%)	England	Civil engineering contractors

Recycled Rock and Aggregate is a Joint Venture company.

16. RELATED PARTIES TRANSACTIONS

The shareholding companies of Recycled Rock & Aggregate Limited are listed within Note 15.

	Debtors 2006 £'000	Creditors 2006 £'000
Amounts outstanding as at 31 March 2006 were as follows:		
Foster Yeoman Limited	-	-
Raymond Brown Limited	-	-

	Sales to 2006 £'000	Purchases from 2006 £'000
Foster Yeoman Limited	206	1,962
Raymond Brown Limited	310	136

The above transactions all related to the normal course of business relating to the supply and distribution of stone aggregate.