

Douglas Truck Mixer Services Limited

Directors' report and financial statements

For the year ended 31st March 2002

Registered in England number 3878113



Directors' report and financial statements

Contents

| | |
|---|---|
| Directors' report | 1 |
| Statement of directors' responsibilities | 2 |
| Report of the auditors to the members of Douglas Truck Mixer Services Limited | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes | 6 |

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2002.

Principal activities

The principal activity of the company was the supply of mixer fleet transport. Subsequent to the transfer of trade, the company became dormant.

Change of ownership

On 10 January 2002, Aggregate Industries UK Limited acquired the remaining 50% of the company's share capital from T Baden Hardstaff Limited.

Transfer of trade

On 10 January 2002, the trade and net assets of the company were transferred to Aggregate Industries UK Limited for £416,000, realising an exceptional profit of £473,000.

Results and dividends

The loss for the financial year amounted to £78,000 (2001: £62,000). The directors do not recommend payment of a dividend. The loss amounting to £78,000 has been deducted from reserves.

Directors and directors' interests

The directors who served during the year and subsequently were:

TL Fletcher (resigned 10 January 2002)
CM Bryant (resigned 10 January 2002)
DG Fletcher
JR Tomkies

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

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

| | Aggregate Industries plc | | | |
|-------------|--------------------------|------------------|------------------|------------------|
| | 25p ordinary shares | | Share options | |
| | 31 March 2002 | 31 March 2001 | 31 March 2002 | 31 March 2001 |
| DG Fletcher | - | - | 197,096 | 187,096 |
| JR Tomkies | 60,000 | 60,000 | 47,599 | - |

By order of the board



KC Barker
Secretary

Bardon Hill
Coalville
Leicestershire
LE67 1TL

1 July 2002

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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of Douglas Truck Mixer Services Limited

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, 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 March 2002 and of its loss 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

1 July 2002

Profit and loss account

for the year ended 31 March 2002

| | <i>Note</i> | Twelve months ended March 2002 £000 | Thirteen Months ended March 2001 £000 |
|--|-------------|--|--|
| Turnover | 2 | 2,804 | 3,116 |
| Cost of sales | | (3,170) | (2,956) |
| | | <hr/> | <hr/> |
| Gross profit | | (366) | 160 |
| Administration costs | | (117) | (164) |
| | | <hr/> | <hr/> |
| Operating loss | | (483) | (4) |
| Exceptional Item | | | |
| Profit on transfer of trade | 3 | 473 | - |
| | | <hr/> | <hr/> |
| Loss before interest and taxation | | (10) | (4) |
| Interest receivable | 4 | 1 | 2 |
| Interest payable | 5 | (69) | (60) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | 6 | (78) | (62) |
| Tax on profit on ordinary activities | 7 | - | - |
| | | <hr/> | <hr/> |
| Retained profit for the year | 16 | (78) | (62) |
| | | <hr/> | <hr/> |

Turnover and operating profit relate entirely to discontinued operations.

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 accounts for 2002 and 2001.

Balance sheet

at 31 March 2002

| | <i>Note</i> | 2002 £000 | 2001 £000 |
|--|-------------|----------------------------|-----------------|
| Fixed assets | | | |
| Tangible assets | <i>10</i> | - | 1,350 |
| Current assets | | | |
| Stocks | <i>11</i> | - | 76 |
| Debtors | <i>12</i> | 416 | 746 |
| Cash at bank and in hand | | - | 58 |
| | | <hr/> 416 <hr/> | <hr/> 880 <hr/> |
| Creditors: Amounts falling due within one year | <i>13</i> | - | (1,015) |
| | | <hr/> | <hr/> |
| Net current assets/(liabilities) | | 416 <hr/> | (135) <hr/> |
| Total assets less current liabilities | | 416 | 1,215 |
| Creditors: Amounts falling due after more than one year | <i>14</i> | - | (721) |
| | | <hr/> | <hr/> |
| Net assets | | 416 | 494 |
| Capital and reserves | | | |
| Called up share capital | <i>15</i> | 556 | 556 |
| Profit and loss account | <i>16</i> | (140) | (62) |
| | | <hr/> | <hr/> |
| Shareholders' funds - equity interests | <i>17</i> | 416 <hr/> | 494 <hr/> |

These financial statements were approved by the board of directors on 1 July 2002 and were signed on its behalf by:

DG Fletcher
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 financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The adoption of FRS19 "Accounting for Deferred Tax" had no material effect on the result of the company.

Tangible fixed assets

The cost of tangible fixed assets is capitalised and amortised by equal annual instalments over their expected useful lives as follows:

Plant and equipment and vehicles - 4-5 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for obsolete stocks.

Deferred taxation

Deferred tax is recognised without discounting 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 FRS19.

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.

2 Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of VAT. All sales are made in the United Kingdom.

3 Profit on transfer of trade

On 10 January 2002, the company transferred its trade and net liabilities to Aggregate Industries UK Limited for £416,000, resulting in a profit of £473,000 (2000: £Nil)

4 Interest receivable

| Twelve Months | Thirteen Months |
|---------------|-----------------|
| 2002 | 2001 |
| £000 | £000 |
| 1 | 2 |

On bank deposits

Notes (continued)

5 Interest payable

| | Twelve Months 2002 £000 | Thirteen Months 2001 £000 |
|----------------------------------|-------------------------------|---------------------------------|
| Bank overdraft | 1 | 2 |
| Finance leases and hire purchase | 68 | 58 |
| | <hr/> 69 | <hr/> 60 |

6 Loss on ordinary activities before taxation

| | Twelve Months 2002 £000 | Thirteen Months 2001 £000 |
|---|-------------------------------|---------------------------------|
| <i>Loss on ordinary activities before taxation is stated after charging</i> | | |
| Auditors' remuneration - as auditors | 2 | 2 |
| - other services | - | 1 |
| Depreciation of tangible fixed assets: | | |
| Owned | 70 | 67 |
| Leased | 562 | 228 |
| Operating leases – other | 402 | 87 |
| Profit on sale of fixed assets | (20) | (5) |

7 Taxation on loss on ordinary activities

There is no corporation tax charge for either 2002 or 2001.

Factors affecting current tax charge for the year

The standard rate of tax for the year based on the UK standard rate of corporation tax, is 30%.

The current year tax charge of nil exceeds the expected credit from the loss for the year at 30% for the following reasons:-

| | 2002 £000 | 2001 £000 |
|---|--------------|--------------|
| Loss for the period before taxation | (78) | (62) |
| Notional tax credit on loss for period at the standard rate | (23) | (19) |
| Factors affecting the tax charge: | | |
| Non-taxable income | (145) | (1) |
| Increase in value of unrecognised deferred tax asset | 168 | 20 |
| Current tax charge for the year | <hr/> 0 | <hr/> 0 |

Notes (continued)

The company had a potential deferred tax asset represented by the excess of the tax written down value over the book value for plant, equipment and vehicles. These balances were transferred to Aggregate Industries UK Ltd on 10 January 2002. The deferred tax asset was not recognised in the financial statements prior to the transfer.

8 Staff numbers and costs

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

| Twelve Months 2002 Number | Thirteen Months 2001 Number |
|---------------------------------|-----------------------------------|
| 58 | 60 |

The aggregate payroll costs of these persons were as follows:

| | £000 | £000 |
|-----------------------|------------|--------------|
| Wages and salaries | 900 | 1,074 |
| Social security costs | 77 | 108 |
| Other pension costs | 11 | 19 |
| | <u>988</u> | <u>1,201</u> |

Other pension costs consist of contributions made by the company to the personal pension funds of the employees.

9 Directors' emoluments

One director exercised share options during the year.

No director received any emoluments from the company during 2002 or 2001.

Notes (continued)

10 Tangible fixed assets

| | Plant, equipment and vehicles £000 |
|--------------------------------|---|
| <i>Cost</i> | |
| At 1 April 2001 | 1,643 |
| Additions | 846 |
| Disposals | (33) |
| Transfer to parent undertaking | (2,456) |
| | <hr/> |
| At 31 March 2002 | - |
| <i>Depreciation</i> | |
| At 1 April 2001 | 293 |
| Charge for the year | 632 |
| Disposals | (10) |
| Transfer to parent undertaking | (915) |
| | <hr/> |
| At 31 March 2002 | - |
| <i>Net book value</i> | |
| At 31 April 2002 | - |
| | <hr/> |
| At 1 January 2000 | 1,350 |
| | <hr/> |

Included in plant, equipment and vehicles are assets held under hire purchase agreements with a net book value of £Nil (2001 £1,195,000)

11 Stocks

| | 2002 £000 | 2001 £000 |
|-------------------------------|----------------------|----------------------|
| Raw materials and consumables | - | 76 |

Notes (continued)

12 Debtors

| | 2002 | 2001 |
|------------------------------------|------------------|-----------|
| | £000 | £000 |
| Trade debtors | - | 653 |
| Prepayments and accrued income | - | 93 |
| Amount due from group undertakings | 416 | - |
| | <hr/> 416 | <hr/> 746 |

13 Creditors: Amounts falling due within one year

| | 2002 | 2001 |
|---------------------------------|-------------|-------------|
| | £000 | £000 |
| Hire purchase obligations | - | 333 |
| Trade creditors | - | 209 |
| Amounts owed to related parties | - | 282 |
| Corporation tax | - | - |
| Other creditors | - | 34 |
| Accruals and deferred income | - | 157 |
| | <hr/> - | <hr/> 1,015 |

14 Creditors: Amounts falling due after more than one year

| | 2002 | 2001 |
|-----------------------------|-------------|-----------|
| | £000 | £000 |
| Hire purchase obligations:- | | |
| Due between 1-2 years | - | 286 |
| Due between 2-5 years | - | 435 |
| | <hr/> - | <hr/> 721 |

Hire purchase obligations are secured on the assets to which they relate and all fall due for repayment within five years.

Notes (continued)

15 Share capital

| | 2002 £000 | 2001 £000 |
|--|--------------|--------------|
| <i>Authorised, allotted, called up and fully paid:</i> | | |
| 556,000 ordinary shares of £1 each | 556 | 556 |

16 Reserves

| | Profit and loss account £000 |
|-------------------|------------------------------------|
| At 1 April 2001 | (62) |
| Loss for the year | (78) |
| At 31 March 2002 | (140) |

17 Reconciliation of shareholders' funds

| | 2002 £000 | 2001 £000 |
|-----------------------------|--------------|--------------|
| Opening shareholders' funds | 494 | - |
| Share capital issued | - | 556 |
| Loss for the financial year | (78) | (62) |
| Closing shareholders' funds | 416 | 494 |

18 Related party transactions

During the period the company purchased £81,000 (2001: £82,000) of raw materials and consumables from Hardstaff Commercial Repairs Limited.

During the period the company purchased £80,000 (2001: £5,000) of raw materials and consumables from T Baden Hardstaff Limited and incurred management charges in the year of £23,000 (2001: £13,000). The company made sales of £95,000 (2001: £65,000) to T Baden Hardstaff Limited in the period.

During the period the company purchased £152,000 (2001: £60,000) of raw materials and consumables from Aggregate Industries UK Limited and incurred management charges of £Nil (2001: £12,000). The company made sales of £2,546,000 (2001: £2,761,000) to Aggregate Industries UK Limited in the period.

19 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 annual report and accounts may be obtained from Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ.