

Company number  
166670

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

in respect of the year ended

31 December 2008



**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Directors, officers and professional advisors**

**Company No. 166670**

**Directors**

R R Gimmmler  
E A Gretton  
B J Guyatt  
C Leclercq

**Company Secretary**

R T V Tyson

**Auditors**

Ernst & Young LLP  
1 Bridewell Street  
Bristol, BS1 2AA

**Registered office**

Hanson House  
14 Castle Hill  
Maidenhead, SL6 4JJ

## **WEST OF ENGLAND SACK HOLDINGS LIMITED**

### **Directors' Report**

The Directors present their report and audited financial statements for the year ended 31 December 2008.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

#### **Principal activities and review of the business**

The principal activity of the company is that of a group investment holding company.

#### **Results and dividends**

The profit for the year amounted to £60,000 (2007: £nil) and is dealt with as shown in the profit and loss account on page 6. The Directors do not recommend the payment of a dividend for the year (2007: £nil).

#### **Principal risks and uncertainties**

The Company's results arise from transactions with fellow group undertakings in the group headed by HeidelbergCement AG. The Directors are therefore of the opinion that the Company is not directly exposed to significant risks and uncertainty; however by the very nature of its activities the Company is indirectly exposed to similar risks and uncertainties to those faced by other group companies. Details of the principal risks and uncertainties facing the group headed by HeidelbergCement AG are disclosed in the financial statements of that company.

#### **Future developments**

The Directors anticipate that the company will continue as a group investment holding company for the foreseeable future.

#### **Directors**

The Directors currently in office are shown on page 1. Directors that served during the year were as follows:

D J Egan	(resigned 16 June 2008)
R Coulson	(resigned 20 June 2008)
G Dransfield	(resigned 30 June 2008)
E A Gretton	(appointed 2 June 2008)
C Leclercq	(appointed 2 June 2008)
B J Guyatt	(appointed 13 June 2008)
R R Gimmler	(appointed 13 June 2008)

#### **Directors' indemnity**

A fellow group undertaking has indemnified, by means of directors and officers' liability insurance, one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

#### **Events since the balance sheet date**

HBJ 286 Limited and VC Corporation Limited, subsidiary undertakings, have applied on 5 May 2009 and 28 July 2009 respectively, to be struck off the register and then to be dissolved.

## **WEST OF ENGLAND SACK HOLDINGS LIMITED**

### **Directors' Report (continued)**

#### **Directors' responsibilities**

The Directors are responsible for preparing the report and 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

The Directors who held office at the date of approval of this Report of the Directors each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware; and that they have each taken all the steps that ought to have been taken as a Director of the Company to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

Ernst & Young LLP, having confirmed their willingness to act, will continue in office as auditors of the Company

By order of the Board



R T V Tyson  
Company Secretary  
16 September 2009

**Independent auditors' report  
to the members of WEST OF ENGLAND SACK HOLDINGS LIMITED**

We have audited the Company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 auditors' 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**

The Directors' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 with the Company 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 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.

**Independent auditors' report  
to the members of WEST OF ENGLAND SACK HOLDINGS LIMITED (continued)**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP

Registered auditors

Bristol

Date *21 September 2009*

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
Exceptional item	5	60,000	-
<b>Profit on ordinary activities before taxation</b>	2	<u>60,000</u>	<u>-</u>
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>	11	<u>60,000</u>	<u>-</u>

All of the Company's results for the year arise from its continuing operations.

There were no other gains or losses recognised in respect of the current or previous year other than those reported above.

There are no material differences between the profit on ordinary activities before taxation and profit for the year stated above and their historical cost equivalents.

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Balance Sheet**  
**at 31 December 2008**

	<b>Note</b>	<b>2008</b> <b>£</b>	<b>2007</b> <b>£</b>
<b>Fixed assets</b>			
Investments	7	<u>88,600</u>	<u>28,600</u>
<b>Current assets</b>			
Debtors	8	4,110,418	4,110,418
<b>Creditors: amounts falling due within one year</b>	9	(2,928,740)	(2,928,740)
<b>Net current assets</b>		<u>1,181,678</u>	<u>1,181,678</u>
<b>Net assets</b>		<u>1,270,278</u>	<u>1,210,278</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,815,335	1,815,335
Profit and loss account	11	(545,057)	(605,057)
<b>Equity shareholders' funds</b>	12	<u>1,270,278</u>	<u>1,210,278</u>

The financial statements on pages 6 to 12 were approved by the Board of directors and signed on their behalf by:

C Leclercq  
 Director  
 16 September 2009





**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**1 Accounting policies**

***Accounting convention***

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

***Cash flow***

In accordance with FRS 1 (revised), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking within the HeidelbergCement AG group.

***Deferred tax***

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation of fixed assets (and similar fair value adjustments), or gains on disposal of fixed assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made when, on the basis of all the available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax when the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Group accounts***

No consolidated group accounts have been prepared because at 31 December 2008 the Company was a wholly owned subsidiary undertaking of HeidelbergCement AG (incorporated in Germany) and thus satisfies the conditions for exemption under Section 228 of the Companies Act 1985. These financial statements contain information about the Company as an individual undertaking, and not its group.

***Fixed asset investments***

Investments are stated at cost less provision for impairment.

***Classification of shares as debt or equity***

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

The proceeds on an issue are allocated to shareholders' equity, net of transaction costs. The carrying amount of equity is not re-measured in subsequent years.

When shares are issued that create a financial liability of the company they are presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss.

The company's cumulative preference shares have been accounted for as equity (see note 10).

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

<b>2 Profit on ordinary activities before taxation</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration	-	-
Fees for audit and non-audit services provided to the Company have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the Company.		
<b>3 Staff costs</b>		
There were no employees during the year (2007 - nil).		
<b>4 Directors emoluments</b>		
The directors received no emoluments in respect of their services during the year (2007: £nil).		
<b>5 Exceptional item</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Release of impairment of fixed asset investments	60,000	-
<b>6 Taxation</b>		
<b>a) Tax on profit on ordinary activities</b>		
Current tax:		
UK corporation tax on profit of the year	-	-
Tax on profit on ordinary activities	-	-
<b>b) Factors affecting tax charge for year</b>		
The tax assessed for the year is different to the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:		
	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	60,000	-
Standard rate of corporation tax in the UK	28.5%	30%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	17,100	-
Effects of:		
Release of impairment of subsidiary undertaking not taxable	(17,100)	-
Imputed interest and other permanent differences	53,731	55,259
Group relief surrendered for nil charge	(53,731)	(55,259)
Total current tax	-	-

**c) Factors affecting current and future tax charges:**

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

**7 Investments**

<b>Investments in subsidiary undertakings</b>	<b>Cost £</b>	<b>Provision £</b>	<b>Book Value £</b>
At 1 January 2008	88,600	(60,000)	28,600
Impairment released during the year	-	60,000	60,000
At 31 December 2008	<u>88,600</u>	<u>-</u>	<u>88,600</u>

The investments in which the Company held more than 20% of the nominal value of any class of share capital is as follows:

<b>Name of company</b>	<b>Country of registration and operation</b>	<b>Class of shares held</b>	<b>Nature of business</b>	<b>Proportion of voting rights and shares held %</b>
HBJ 286 Limited (*)	England and Wales	Ordinary	Dormant	100%
VC Corporation Limited (*)	England and Wales	Ordinary	Dormant	100%

The Company is a wholly-owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of S228 of the Companies Act 1985 in that consolidated accounts have not been prepared. The accounts present information about the Company as an individual undertaking.

\* an application has been filed to strike off these companies.

<b>8 Debtors</b>	<b>2008 £</b>	<b>2007 £</b>
Due within one year:		
Amounts owed by group undertakings	<u>4,110,418</u>	<u>4,110,418</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

<b>9 Creditors: amounts falling due within one year</b>	<b>2008 £</b>	<b>2007 £</b>
Amounts owed to group undertakings	<u>2,928,740</u>	<u>2,928,740</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

<b>10 Share capital</b>	<b>2008 No</b>	<b>2007 No</b>	<b>2008 £</b>	<b>2007 £</b>
Authorised:				
Ordinary shares of 25p each	8,000,000	8,000,000	2,000,000	2,000,000
5% cumulative preference shares of £1 each	85,000	85,000	85,000	85,000
7% cumulative preference shares of £1 each	15,000	15,000	15,000	15,000
			<u>2,100,000</u>	<u>2,100,000</u>
	<b>2008 No</b>	<b>2007 No</b>	<b>2008 £</b>	<b>2007 £</b>
Allotted, called up and fully paid:				
Ordinary shares of 25p each	6,861,339	6,861,339	1,715,335	1,715,335
5% cumulative preference shares of £1 each	85,000	85,000	85,000	85,000
7% cumulative preference shares of £1 each	15,000	15,000	15,000	15,000
			<u>1,815,335</u>	<u>1,815,335</u>

The two classes of cumulative preference shares carry a dividend of 5% and 7% per annum payable out of the profits of the company available for dividends each year. The dividends have been formally waived.

The cumulative preference shares carry no voting rights at meetings unless the audited accounts show that the dividend has not been paid or the meeting includes any resolutions directly affecting the rights of the preference shareholders, altering the regulations of the company or winding up of the company. In such an event each holder will be entitled to one vote per share.

On winding up of the company the cumulative preference shareholders have a right to receive, in preference to the ordinary shareholders, £1 per share plus all arrears of dividends and accrued dividends.

The Directors have considered the accounting treatment of the cumulative preference shares in relation to FRS 25: Financial Instruments: Disclosure and Presentation, and are of the opinion that these shares are in substance an equity instrument and are accordingly disclosed as equity in the balance sheet.

<b>11 Profit and loss account</b>	<b>2008 £</b>	<b>2007 £</b>
At 1 January	(605,057)	(605,057)
Profit for the financial year	60,000	-
At 31 December	<u>(545,057)</u>	<u>(605,057)</u>

**WEST OF ENGLAND SACK HOLDINGS LIMITED**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2008**

<b>12 Reconciliation of movement in shareholders' funds</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
At 1 January	1,210,278	1,210,278
Profit for the financial year	60,000	-
At 31 December	<u>1,270,278</u>	<u>1,210,278</u>

**13 Parent Undertakings**

The Company's immediate parent undertaking is UGI Group Limited, a company registered in England and Wales and the ultimate parent undertaking is HeidelbergCement AG, a company registered in Germany. The largest and smallest group in which the results of the Company are consolidated is that headed by HeidelbergCement AG.

Copies of the accounts of HeidelbergCement AG can be obtained from Berliner Strasse 6, D-69120 Heidelberg, Germany.

**14 Related party transactions**

The Company has taken advantage of the 90% owned subsidiary exemption afforded by FRS8: Related Party Transactions, and has not disclosed transactions with companies in the group headed by HeidelbergCement AG.

**15 Events since the balance sheet date**

HBJ 286 Limited and VC Corporation Limited, subsidiary undertakings, have applied on 5 May 2009 and 28 July 2009 respectively, to be struck off the register and then to be dissolved.