

Company Registration No. 558320

**TARMAC INDUSTRIAL PRODUCTS
LIMITED**

Report and Financial Statements

31 December 2004



TARMAC INDUSTRIAL PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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TARMAC INDUSTRIAL PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The company is principally an investment holding company providing management and administration services.

None of the company's subsidiary undertakings continue to take on new contracts but they retain ongoing obligations in respect of several properties, previously completed contracts and businesses previously disposed of.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The result for the year is as stated on page 4. The directors do not anticipate any significant change to the business.

DIVIDENDS AND RESERVES

The directors do not recommend a dividend for the year (2003 - £Nil). The loss for the year after taxation of £1,069,000 (2003 - profit of £419,000) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year were:

Tarmac Nominees Limited
Tarmac Nominees Two Limited

None of the directors who held office at the end of the financial year had any disclosable interests in, or rights to subscribe for, the share and loan capital of the company, its ultimate parent company, Tarmac Group Limited, or any other group company.

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C G REYNOLDS

Representing Tarmac Nominees Two Limited
Secretary

Millfields Road
Ettingshall
Wolverhampton
WV4 6JP

TARMAC INDUSTRIAL PRODUCTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TARMAC INDUSTRIAL PRODUCTS LIMITED

We have audited the financial statements of Tarmac Industrial Products Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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'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, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

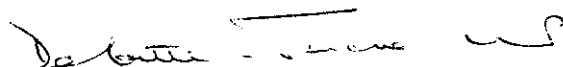
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

31 October 2005

TARMAC INDUSTRIAL PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2004

	Note	2004 £000	2003 £000
Administrative expenses (including exceptional write off of inter-company loan of £1,069,514, 2003: £nil)		(1,070)	127
OPERATING (LOSS)/PROFIT BEING (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,070)	127
Tax on (loss)/profit on ordinary activities	4	1	292
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR		(1,069)	419
Accumulated losses brought forward		(119,557)	(119,976)
Accumulated losses carried forward		<u>(120,626)</u>	<u>(119,557)</u>

All activities derive from continuing operations.

There are no recognised gains and losses other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

There has been no movement in shareholders' funds other than as stated in the profit and loss account. Consequently, no reconciliation of movements in shareholders' funds is given.

TARMAC INDUSTRIAL PRODUCTS LIMITED

BALANCE SHEET 31 December 2004

	Note	2004 £000	2003 £000
FIXED ASSETS			
Tangible assets	5	9	9
Investments	6	1,956	1,956
		<u>1,965</u>	<u>1,965</u>
CURRENT ASSETS			
Debtors:			
Amounts falling due within one year	7	14,211	15,280
CREDITORS: amounts falling due within one year	8	(36,802)	(36,802)
		<u>(22,591)</u>	<u>(21,522)</u>
NET CURRENT LIABILITIES			
		(20,626)	(19,557)
NET LIABILITIES		<u>(20,626)</u>	<u>(19,557)</u>
CAPITAL AND RESERVES			
Called up share capital	9	100,000	100,000
Profit and loss account – deficit	10	(120,626)	(119,557)
EQUITY SHAREHOLDERS' DEFICIT		<u>(20,626)</u>	<u>(19,557)</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

31 October 2005



C G REYNOLDS

On behalf of Tarmac Nominees Limited
Director

TARMAC INDUSTRIAL PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidated accounts

These financial statements present information about the company as an individual company and not about its group. The company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary undertaking.

Investments

Investments in subsidiary undertakings are shown at cost less provision for impairment. In the opinion of the directors, the value of investments at 31 December 2004 is not less than the amount at which they are stated in the balance sheet.

Depreciation

Depreciation is provided to write off the cost, less estimated residual value, of other tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Long leasehold property - up to 50 years

Taxation

UK Corporation tax is provided at amounts expected to be paid (as recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

The taxation assets and liabilities of the company may be reduced wholly or in part by the surrender of losses to or from fellow group undertakings. The tax benefits that arise from the group relief are recognised in the financial statements of the surrendering or recipient companies, as appropriate.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, and rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company is exempt from the requirement to present a cash flow statement under Financial Reporting Standard 1 (Revised), as it is a wholly owned subsidiary.

Related party disclosure

The company has taken advantage of the exemption provided by Financial Reporting Standard 8 not to disclose transactions with other group companies.

TARMAC INDUSTRIAL PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees other than directors. No remuneration was paid to the directors of the company in either year.

3. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by a fellow group company.

4. TAX (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2004 £000	2003 £000
Current tax:		
Group relief payable at 30% (2003 – 30%)	160	-
Balancing payment received under transfer pricing regime	(160)	
Adjustment in respect of prior periods:		
Group Relief	(1)	(292)
Current year tax credit	(1)	(292)
Current tax reconciliation:		
(Loss)/profit on ordinary activities before tax	(1,070)	127
Current tax at 30% (2003 – 30%)	(321)	38
Effects of:		
Non deductible expenses	321	188
Non taxable income	-	(226)
Adjustments in respect of prior years	(1)	(292)
Total current tax credit (see above)	(1)	(292)

TARMAC INDUSTRIAL PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2004

5. TANGIBLE FIXED ASSETS

	Land and buildings £000
Cost	
At 1 January 2004 and 31 December 2004	10
Accumulated depreciation	
At 1 January 2004 and 31 December 2004	(1)
Net book value	
At 31 December 2003 and 31 December 2004	<u>9</u>

The net book value of land and buildings comprises a property held under a long lease.

6. INVESTMENTS HELD AS FIXED ASSETS

	Shares in group undertakings £000
Cost	
At 1 January 2004 and 31 December 2004	12,597
Provision for impairment	
At 1 January 2004 and 31 December 2004	10,641
Net book value	
At 31 December 2003 and 31 December 2004	<u>1,956</u>

Principal subsidiary undertakings

All of the principal subsidiary undertakings operate in the United Kingdom. All holdings are of ordinary shares which are 100% owned by the company:

Briggs Amasco Curtainwall Limited
Tipton Holdings Limited
TBP Industries Limited
Arkglade Limited
WB & Sons Ltd
Charles Smith Sons & Co Ltd
TIP Nominees Ltd
Vicourt Ltd
Brady Industries Ltd
WM Investments Ltd

TARMAC INDUSTRIAL PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2004

7. DEBTORS

	2004 £000	2003 £000
Amounts due within one year		
Amounts owed by group undertakings	14,211	15,280

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £000	2003 £000
Bank loans and overdrafts	4	4
Group taxation relief	280	280
Other creditors	3	3
Amounts owed to group undertakings	36,515	36,515
	36,802	36,802

9. CALLED UP SHARE CAPITAL

	2004 £000	2003 £000
Authorised, called up, allotted and fully paid		
100,000,000 Ordinary shares of £1 each	100,000	100,000

10. RESERVES

	£000
Balance as at 31 December 2003	(119,557)
Loss for the year	(1,069)
Balance as at 31 December 2004	(120,626)

11. ULTIMATE PARENT COMPANY

At 31 December 2004, the company's immediate parent company was Tarmac Holdings Limited and its ultimate parent company was Anglo American plc, both companies incorporated in Great Britain. The only group in which the results are consolidated is that headed by Anglo American plc. Copies of those financial statements can be obtained from Millfields Road, Ettingshall, Wolverhampton, West Midlands WV4 6JP.