

Euston Holdings Limited

Directors' report and financial statements

For the year ended 31 December 1998

Registered in England number 2465642



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities and business review

The company's principal activities are the ownership and operation of the railway line from Meldon Quarry to its junction with the Exeter to Barnstaple line.

The directors are satisfied with the performance of the business throughout the year, and its financial position at the balance sheet date.

Results and dividends

The company made a profit on ordinary activities in the year of £36,000 (1997: loss £15,000). The directors do not recommend the payment of a dividend (1997: £Nil) and the profit of £36,000 has been transferred to reserves.

Directors and directors' interests

The directors who served during the year and who were appointed since the year end were as follows:

PR Barltrop (appointed 1 February 1999)
 MJ Booth (resigned 1 February 1999)
 JR Ellis

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 at the year end were as follows:

	Aggregate Industries plc Ordinary 25p shares		Aggregate Industries plc Share Option Schemes	
	31 December 1998	1 January 1998	31 December 1998	1 January 1998
MJ Booth	-	-	192,858	142,859

The interests of the other director in the share capital of Aggregate Industries plc does not require to be disclosed in these financial statements.

Year 2000

The company has carried out a comprehensive review of its computer systems to ensure that any potential disruption due to the millennium date change, is eliminated. Most of the work has been completed or is at an advanced stage and is expected to be completed by the middle of 1999. The cost which is not significant will be charged to profit and loss.

Directors report *(continued)*

Auditors

In accordance with Section 386 of the Companies Act 1985, an elective resolution has been filed in order to dispense with the requirement to appoint auditors annually.

By order of the board



KC Barker
Secretary

Bardon Hill
Coalville
Leicestershire
LE67 1TL

8 March 1999

Statement of directors' responsibilities

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 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 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 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Euston Holdings Limited

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

Respective responsibilities of directors and auditors

As described on page 3, 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 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG Audit Plc'.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 March 1999

Profit and loss account

for the year ended 31 December 1998

	<i>Note</i>	1998 £000	1997 £000
Turnover	2	163	146
Administrative expenses		(110)	(168)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		53	(22)
Taxation on profit/(loss) on ordinary activities	4	(17)	7
		<hr/>	<hr/>
Profit/(loss) for the year	9	36	(15)
		<hr/> <hr/>	<hr/> <hr/>

The results for both years relate entirely to continuing activities.

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 for 1998 and 1997 are included in the profit and loss accounts for those years.

Balance sheet
at 31 December 1998

	<i>Note</i>	1998 £000	1997 £000
Fixed assets			
Tangible assets	5	-	-
Current assets			
Debtors	6	46	46
Creditors: Amounts falling due within one year	7	(92)	(128)
Total assets less current liabilities		<u>(46)</u>	<u>(82)</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	(46)	(82)
Shareholders' fund - equity interests	10	<u>(46)</u>	<u>(82)</u>

These financial statements were approved by the board of directors on 8 March 1999 and were signed on its behalf by:


PR Barltrop
Director

Notes

(forming part of the financial statements)

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 company's financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards. The financial statements are prepared on the going concern basis as a consequence of the continuing support of the ultimate parent undertaking. The company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement on the grounds that its cash flows are included within the consolidated cash flow of Aggregate Industries plc.

Tangible fixed assets

Tangible fixed assets comprise the freehold branch railway line and its buildings.

The tangible fixed assets have been written down to their estimated recoverable amount to the business.

Turnover

Turnover is the amount derived from the provision of services falling within the company's ordinary activities, excluding value added tax.

Employees and directors

The company employed no staff other than directors during the year and the prior year.

No directors received emoluments in respect of services rendered to the company during the year (1997: £Nil).

Taxation

The charge/(credit) for taxation is as follows:

	1998 £000	1997 £000
Based on the profit for the year:		
Corporation tax at 31.0% (1997: 31.5%)	17	(7)
	<hr/>	<hr/>

Notes (continued)

Tangible fixed assets

	Freehold land and buildings £000
<i>Cost</i>	
At beginning and end of year	525
<i>Depreciation</i>	
At beginning and end of year	525
<i>Net book value</i>	
At 31 December 1998	-
At 1 January 1998	-

Debtors

	1998 £000	1997 £000
Other debtors	46	46

Creditors: Amounts falling due within one year

	1998 £000	1997 £000
Corporation tax	17	-
Other creditors	5	5
Amount due to group undertakings	70	123
	92	128

Share capital

	1998 £	1997 £
<i>Authorised, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100

Notes (continued)

Reserves

	Profit and loss account £000
At 1 January 1998	(82)
Profit for the year	36
	<hr/>
At 31 December 1998	(46)
	<hr/>

Reconciliation of movement in shareholders' funds

	1998 £000	1997 £000
Opening shareholders' funds	(82)	(67)
Profit/(loss) for the year	36	(15)
	<hr/>	<hr/>
Closing shareholders' funds	(46)	(82)
	<hr/>	<hr/>

Related party transactions

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Aggregate Industries plc group. There are no other transactions with related parties.

Ultimate parent undertaking

The parent undertaking of the group of undertakings for which group financial statements 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 financial statements may be obtained from Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ.