

**SOLENT AGGREGATES LIMITED**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN**



# **SOLENT AGGREGATES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

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# **SOLENT AGGREGATES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

PM Burgess  
B Dennett  
AJ Kujawa  
GC Stockbridge  
KJ Seaman  
SK Wilson

#### **SECRETARY**

ALJ Thomas

#### **REGISTERED OFFICE**

Francis House  
Shopwhyke Road  
Chichester  
West Sussex  
PO20 6AD

#### **BANKERS**

Barclays Bank plc  
PO Box 544  
54 Lombard Street  
London  
EC3V 9EX

#### **SOLICITORS**

Lawrence Tucketts  
Bush House  
72 Prince Street  
Bristol  
BS99 7JZ

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

# **SOLENT AGGREGATES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period from 27 June 1999 to 31 December 2000.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the period under review was that of the processing and sale of marine aggregates.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £129,000, after paying an interim dividend of £700,000. The profit and loss account is shown on page 4 and the directors are satisfied with the results and are confident about satisfactory results in the foreseeable future.

### **DIVIDENDS AND RESERVES**

The directors do not recommend a dividend for the period (1999 - £Nil). An interim dividend of £700,000 was paid in December 2000 (1999 - £Nil). The retained loss for the period of £(581,000) (52 weeks ended 26 June 1999 - profit of £397,000) has been transferred (from)/to reserves.

### **DIRECTORS AND THEIR INTERESTS**

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

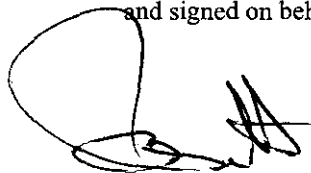
AJ Kujawa (appointed 31 December 1999)  
P M Burgess  
B Dennett  
K J Seaman  
P J Smith (retired 31 December 1999)  
G C Stockbridge  
S K Wilson

No director had any beneficial interest in the share capital of the company or its group undertakings during the period.

### **AUDITORS**

Deloitte & Touche were appointed auditors during the period. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



B DENNETT

Director

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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.

## AUDITORS' REPORT TO THE MEMBERS OF

### SOLENT AGGREGATES LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

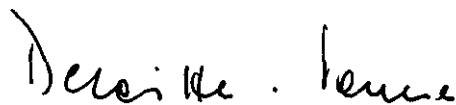
#### Basis of opinion

We conducted our audit in accordance with 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 at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors



# SOLENT AGGREGATES LIMITED

## PROFIT AND LOSS ACCOUNT

Period from 27 June 1999 to 31 December 2000

	Note	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
<b>TURNOVER</b>	2	17,673	11,889
Cost of sales		(16,930)	(11,175)
Gross profit		743	714
Administrative expenses		(502)	(374)
Other operating income		36	24
<b>OPERATING PROFIT</b>	4	277	364
Interest receivable	5	72	33
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		349	397
Tax on profit on ordinary activities	6	(230)	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		119	397
Dividend	7	(700)	-
<b>(LOSS)/RETAINED PROFIT FOR THE YEAR</b>	15	(581)	397

All activities derive from continuing operations.

There are no recognised gains and losses other than the loss for the current financial year and the profit for the preceding financial period. Accordingly, no statement of total recognised gains and losses is given.

# SOLENT AGGREGATES LIMITED

## BALANCE SHEET 31 December 2000

	Note	31 December 2000		26 June 1999	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Tangible assets	8		2,543		2,963
<b>CURRENT ASSETS</b>					
Stocks	9	642		638	
Debtors	10	1,622		2,249	
Cash at bank and in hand		420		953	
		<u>2,684</u>		<u>3,840</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(1,759)</u>		<u>(2,374)</u>	
<b>NET CURRENT ASSETS</b>			<u>925</u>		<u>1,466</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,468</u>		<u>4,429</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		(3,000)		(3,609)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13		<u>(339)</u>		<u>(110)</u>
<b>NET ASSETS</b>			<u><u>129</u></u>		<u><u>710</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		-		-
Profit and loss account	15		<u>129</u>		<u>710</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16		<u><u>129</u></u>		<u><u>710</u></u>

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

24 October 2001



K J Seaman  
Director



# SOLENT AGGREGATES LIMITED

## CASH FLOW STATEMENT

Period from 27 June 1999 to 31 December 2000

	Note	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
Cash flow from operating activities	(i)	1,062	966
Returns on investments and servicing of finance	(ii)	72	33
Taxation		(5)	-
Capital expenditure and financial investment	(ii)	(353)	(319)
Equity dividends paid		(700)	-
Cash inflow before use of liquid resources and financing		76	680
Management of liquid resources		(230)	10
Financing	(ii)	(609)	(451)
(Decrease)/increase in cash in the period		(763)	239

	Note	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
Reconciliation of net cash flow to movement in net debt	(iii)		
(Decrease)/increase in cash in the period		(763)	239
Repayment of shareholder loans		609	451
Cash movement from management in liquid resources		230	(10)
Change in net debt resulting from cash flows		76	680
Net debt at 27 June		(2,656)	(3,336)
Net debt at 31 December		(2,580)	(2,656)

# SOLENT AGGREGATES LIMITED

## NOTES TO THE CASH FLOW STATEMENT

Period from 27 June 1999 to 31 December 2000

### (i) RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS \*\*\*

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
Operating profit	277	364
Depreciation	806	595
(Increase)/decrease in stocks	(4)	106
Decrease/(increase) in debtors	627	(416)
(Decrease)/increase in creditors	(622)	195
Increase in provisions	11	110
(Profit)/loss on disposal of fixed assets	(33)	12
<b>Net cash inflow from operating activities</b>	<b>1,062</b>	<b>966</b>

### (ii) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
<b>Net cash inflow from returns on investments and servicing of finance</b>		
Interest received	72	33
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(397)	(321)
Receipts from sale of tangible fixed assets	44	2
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(353)</b>	<b>(319)</b>
<b>Management of liquid resources</b>		
Cash transferred (to)/from short term deposit	(230)	10
<b>Net cash outflow from financing</b>		
Repayment of shareholder loans	(609)	(451)

# SOLENT AGGREGATES LIMITED

## NOTES TO THE CASH FLOW STATEMENT

Period from 27 June 1999 to 31 December 2000

### (iii) ANALYSIS OF NET DEBT

	At 27 June 1999 £000	Cash flow £000	At 31 Dec 2000 £000
Cash in hand	133	(763)	(630)
Short term bank deposits	820	230	1,050
	<u>953</u>	<u>(533)</u>	<u>420</u>
Shareholders' loans	(3,609)	609	(3000)
	<u>(2,656)</u>	<u>76</u>	<u>(2,580)</u>

**NOTES TO THE ACCOUNTS**

**Period ended 31 December 2000**

**1. ACCOUNTING POLICIES**

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

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents the delivered value of sales to all customers, excluding value added tax and trade discounts.

**Depreciation**

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

Leasehold land and buildings	5 years
Plant and machinery	5 – 20 years

**Stocks**

Stock is valued at the lower of cost including production overheads and net realisable value.

**Deferred taxation**

Provision is made at current rates for deferred taxation in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**Operating leases**

Operating lease rentals are charged to profit and loss account as incurred.

**Pensions**

Regular pension costs for defined benefit schemes are established in accordance with the recommendation of independent actuaries and are charged to the profit and loss account based on expected pension costs over the employees average service lives with the company.

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company and arise wholly in the United Kingdom.

# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES [CONFIRM WITH DIRECTORS]

No director received any remuneration specifically in respect of his services to the company during the period (52 weeks ended 26 June 1999 - £Nil).

	Period from 27 June 1999 to 31 December No	52 weeks ended 26 June No
<b>Average number of persons employed</b>		
Management and administration	4	4
Production and distribution	27	26
	<u>31</u>	<u>30</u>
	<b>£000</b>	<b>£000</b>
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	1,018	621
Social security costs	90	54
Other pension costs	92	61
	<u>1,200</u>	<u>736</u>

### 4. OPERATING PROFIT

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation	806	595
Rentals under operating leases		
Land and buildings	1,317	886
Auditors' remuneration	12	7
Rents receivable	(36)	(24)
	<u></u>	<u></u>

### 5. INTEREST RECEIVABLE

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
Bank interest receivable	<u>72</u>	<u>33</u>

# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
United Kingdom corporation tax at 30% (1999 – 30.75%) based on the profit for the period	7	-
Deferred taxation	218	-
	<u>225</u>	<u>-</u>
Prior period adjustment	5	-
	<u>230</u>	<u>-</u>

### 7. DIVIDENDS

	Period from 27 June 1999 to 31 December 2000 £000	52 weeks ended 26 June 1999 £000
Interim dividend of £7,000 per share (1999: £Nil)	700	-

### 8. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £000	Plant and machinery £000	Total £000
<b>Cost</b>			
At 27 June 1999	101	4,668	4,769
Additions	-	397	397
Disposals	-	(165)	(165)
	<u>101</u>	<u>4,900</u>	<u>5,001</u>
At 31 December 2000	101	4,900	5,001
<b>Accumulated depreciation</b>			
At 27 June 1999	101	1,705	1,806
Charge for the period	-	806	806
Disposals	-	(154)	(154)
	<u>101</u>	<u>2,357</u>	<u>2,458</u>
At 31 December 2000	101	2,357	2,458
<b>Net book value</b>			
At 31 December 2000	-	2,543	2,543
At 26 June 1999	-	2,963	2,963

# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 9. STOCKS

	31 December 2000 £000	26 June 1999 £000
Raw materials and consumables	241	102
Finished goods and goods for resale	401	536
	<u>642</u>	<u>638</u>

### 10. DEBTORS

	31 December 2000 £000	26 June 1999 £000
Amounts owed by related parties:		
United Marine Aggregates Limited	1,050	1,600
Hanson Quarry Products Europe Limited	535	606
United Marine Dredging Limited	1	3
Hanson Marine Limited	1	4
Trade debtors	4	8
Other debtors	31	27
Prepayments	-	1
	<u>1,622</u>	<u>2,249</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2000 £000	26 June 1999 £000
Amounts owed to related parties:		
United Marine Aggregates Limited	158	70
United Marine Dredging Limited	626	978
Hanson Quarry Products Europe Limited	218	281
Hanson Marine Limited	180	208
Trade creditors	277	401
Corporation Tax	7	-
Other taxation and social security	137	217
Accruals and deferred income	156	219
	<u>1,759</u>	<u>2,374</u>

# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2000 £000	26 June 1999 £000
Amounts owed to related parties:		
United Marine Aggregates Limited	1,500	1,730
Hanson Quarry Products Europe Limited	1,500	1,879
	<u>3,000</u>	<u>3,609</u>

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

	£000
<b>Other provision</b>	
Balance at 27 June 1999	110
Other movement	11
	<u>121</u>
Balance at 31 December 2000	

Other provisions relate to contractual commitments in respect of clearing and repairing the berth and quay and disposing of the silt.

#### Deferred taxation

The amounts provided in the accounts and the amounts not provided are as follows:

	31 December 2000		26 June 1999	
	Provided £000	Not provided £000	Provided £000	Not provided £000
Capital allowances in advance of depreciation	<u>218</u>	<u>-</u>	<u>-</u>	<u>128</u>

### 14. CALLED UP SHARE CAPITAL

	31 December 2000 £	26 June 1999 £
<b>Authorised, allotted, called up and fully paid</b>		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Each class of share is held solely by one corporate member and therefore each member has equal voting rights. Accordingly, the company is not a subsidiary undertaking and as a result has no ultimate holding company.



# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 15. PROFIT AND LOSS ACCOUNT

	£000
Balance at 27 June 1999	710
Loss for the period	(581)
	<hr/>
Balance at 31 December 2000	129
	<hr/>

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2000 £000	26 June 1999 £000
Profit for the financial period	119	397
Interim dividend	(700)	-
	<hr/>	<hr/>
Net (reduction in)/addition to shareholders' funds	(581)	397
Opening shareholders' funds	710	313
	<hr/>	<hr/>
Closing shareholders' funds	129	710
	<hr/>	<hr/>

### 17. FINANCIAL COMMITMENTS

	31 December 2000 £000	26 June 1999 £000
<b>Capital commitments</b>		
Contracted for but not provided	51	-
	<hr/>	<hr/>

#### Operating lease commitments

At 31 December 2000, the company was committed to making the following payments during the next year in respect of operating leases:

	31 December 2000		26 June 1999	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Leases which expire:				
Within one year	-	-	-	18
Within two to five years	137	78	137	78
After five years	776	-	750	-
	<hr/>	<hr/>	<hr/>	<hr/>
	913	78	887	96
	<hr/>	<hr/>	<hr/>	<hr/>

# SOLENT AGGREGATES LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 2000

### 18. PENSION COSTS

A defined benefit contributory pension scheme is operated by Hanson Quarry Products Europe Limited, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees service lives within the company. Variations in pension costs which are identified as a result of actuarial valuations, are amortised over the average expected remaining service lives of the employees. The particulars of the latest valuation of the scheme can be found in the accounts for Hanson Quarry Products Europe Limited.

### 19. RELATED PARTY TRANSACTIONS

During the period, the company entered into the following transactions, in the normal course of business, with the following related parties:

	Sales of aggregate to related party £000	Purchase of materials from related party £000	Other transactions with related party £000	Amounts owed to related party £000	Amounts owed from related party £000
<b>31 December 2000</b>					
United Marine Aggregates Limited	10,123	56	694	1,658	1,044
United Marine Dredging Limited	-	6,202	-	626	1
Hanson Quarry Products Europe Ltd	7,412	14	2,230	1,717	535
Hanson Marine Limited	-	4,072	160,313	212	1
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>26 June 1999</b>					
United Marine Aggregates Limited	6,556	15	479	1,800	1,600
United Marine Dredging Limited	-	3,710	-	978	3
Hanson Quarry Products Europe Ltd	5,266	9	1,392	2,160	606
Hanson Marine Limited	-	2,819	107	208	4
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company's share capital is held equally between United Marine Aggregates Limited and Hanson Quarry Products Ventures Limited.

Hanson plc and Tarmac Group Limited (formerly Tarmac plc) both hold a 50% interest in the shares of United Marine Holdings Limited. United Marine Aggregates Limited and United Marine Dredging Limited are wholly owned subsidiaries of United Marine Holdings Limited.

Hanson Quarry Products Ventures Limited, Hanson Quarry Products Europe Limited and Hanson Marine Limited are all members of the same group whose ultimate holding company is Hanson plc.

Tarmac plc was acquired by Anglo American plc on 1 March 2000.