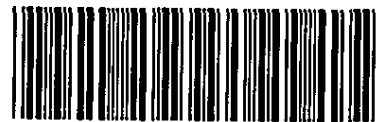


TARMAC GROUP LIMITED

Report and Financial Statements

31 December 2006

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COMPANIES HOUSE

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TARMAC GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K C Hajar
D M Weston
P G Whitcutt

SECRETARY

J R Stirk

REGISTERED OFFICE

20 Carlton House Terrace
London SW1Y 5AN

BANKERS

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5 HP

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Four Brindleyplace
Birmingham B1 2HZ

TARMAC GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

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

The principal activity of the company is that of a holding company

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company is a holding company only It has received no income and has not incurred any expenses It is not expected to recommence trade in the foreseeable future and consequently no Profit & Loss Account has been provided

DIVIDENDS AND RESERVES

The profit after taxation for the year is £nil (2005 – £ nil) and the directors do not recommend payment of a dividend for the year (2005 – £nil)

DIRECTORS

The directors who served during the year are as follows

D M Weston	(appointed 12 December 2006)
R S Robertson	(resigned 12 December 2006)
S R Thompson	(resigned 13 April 2007)
P G Whitcutt	
K C Hajar	

DIRECTORS' REPORT

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a special notice will be served prior to the forthcoming Annual General Meeting proposing their reappointment

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



K C Hajar

Director

30 October 2007

20 Carlton House Terrace
London
SW1Y 5AN

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial instruments 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 period. 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,
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TARMAC GROUP LIMITED

We have audited the financial statements of Tarmac Group Limited for the year ended 31 December 2006 which comprise 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 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 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 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 judgments 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.

TARMAC GROUP LIMITED

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 2006 and of its result 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



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Birmingham, UK
30 October 2007

TARMAC GROUP LIMITED

BALANCE SHEET 31 December 2006

	Note	2006 £000	2005 £000
FIXED ASSETS			
Investments	4	511,687	511,687
CURRENT ASSETS			
Debtors Amounts due within 1 year	5	<u>1</u>	<u>1</u>
TOTAL ASSETS		511,688	511,688
CREDITORS: amounts falling due after more than one year	6	<u>(317,358)</u>	<u>(317,358)</u>
NET ASSETS		<u>194,330</u>	<u>194,330</u>
CAPITAL AND RESERVES			
Called up share capital	8	186,339	186,339
Share premium account	9	7,965	7,965
Profit and loss account	9	<u>26</u>	<u>26</u>
EQUITY SHAREHOLDERS' FUNDS		<u>194,330</u>	<u>194,330</u>

The company did not trade in the year and has made neither a profit nor loss, nor any other recognised gain or loss. Consequently, no profit and loss account or statement of total recognised gains and losses has been prepared.

These financial statements were approved by the Board of Directors on 30 October 2007.

Signed on behalf of the Board of Directors



K C Hajar
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of presentation

Consolidated accounts are not prepared because the company is a wholly owned subsidiary of Anglo American plc and its consolidated financial statements are publicly available.

Cash flow statement

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

Investments

Investments are included at cost, less provision for impairment where appropriate.

Deferred taxation

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, at rates expected to apply when they crystallise based on current tax rates and law. 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.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees and the Directors received no emoluments for their services to the company. The auditors' remuneration was paid by another group company in both periods.

3. OPERATING PROFIT

Auditors' remuneration of £1,000 (2005: £1,000) has been borne by other group companies. Non audit fees were nil in both current and prior years.

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006	2005
	£000	£000
Current tax:		
Group relief receivable - 30% (2005 – 30%)	(4,999)	(4,999)
Balancing payment made under transfer pricing regime	4,999	4,999
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Tax (credit)/charge on loss on ordinary activities	-	-
	<hr/>	<hr/>
Current tax reconciliation:		
Profit on ordinary activities before tax	-	-
	<hr/>	<hr/>
Current tax at 30% (2005 – 30%)	-	-
	<hr/>	<hr/>
Effects of		
Non taxable income	-	-
	<hr/>	<hr/>
Total current tax credit (see above)	-	-
	<hr/>	<hr/>

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted on 26 June 2007. In future periods, the deferred tax assets and liabilities, currently stated at 30% of the timing differences, will be restated at 28% of those amounts and hence the effective tax rate will decrease accordingly.

4. FIXED ASSET INVESTMENTS

	Shares
	£000
Cost and net book value	
At 1 January 2006 and 31 December 2006	511,687
	<hr/>

The principal subsidiary of the company which is included within these accounts is shown below

Name	% Holding	Country of Incorporation	Type of Business
Tarmac Holdings Limited	100%	United Kingdom	Holding company

5. DEBTORS

	2006	2005
	£000	£000
Group relief receivable	1	1
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£000	£000
Amounts owed to group undertakings	317,358	317,358
	<u>317,358</u>	<u>317,358</u>

7. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

There is no unprovided deferred taxation at 31 December 2006 (2005 - £nil)

8. CALLED UP SHARE CAPITAL

	2006	2005
	£000	£000
Authorised		
259,999,998 Ordinary shares of £0 90 each	<u>234,000</u>	<u>234,000</u>
Called up, allotted and fully paid		
207,042,953 Ordinary shares of £0 90 each	<u>186,339</u>	<u>186,339</u>

TARMAC GROUP LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

9. RESERVES

	Share premium account £000	Profit and loss account £000	Total £000
Balance at 1 January 2006 and 31 December 2006	7,965	26	7,991

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed to subsidiary companies under Financial Reporting Standard 8 - Related Party Transactions, and therefore transactions with other group companies are not disclosed separately

11. ULTIMATE PARENT COMPANY

At 31 December 2006, Anglo American Finance (UK) Limited, a company incorporated in England and Wales was the immediate parent company with Anglo American plc being the ultimate parent company and controlling party. Copies of the financial statements of Anglo American plc can be obtained from 20 Carlton House Terrace, London, SW1Y 5AN