



**TARMAC NORTHERN LIMITED**



**Report and Financial Statements**

**31 December 2002**



# **TARMAC NORTHERN LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

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# **TARMAC NORTHERN LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2002**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D Baxter  
R I W Boyd  
D C Cather  
G S Greenhalgh  
J M Ibbotson  
F K J Jackson  
B W Larter  
K A Riley (resigned 4 March 2002)  
R S Robertson  
T R Last  
J F Bowater (resigned 1 April 2003)  
A C Walker (appointed 1 April 2003)

#### **SECRETARY**

R I W Boyd

#### **REGISTERED OFFICE**

Fell Bank  
Birtley  
Chester-le-Street  
County Durham  
DH3 2ST

#### **BANKERS**

Barclays Bank plc  
Gateshead Business Centre  
P O Box 22  
Gateshead  
Tyne & Wear  
NE8 1BX

#### **SOLICITORS**

Eversheds  
Sun Alliance House  
35 Mosley Street  
Newcastle upon Tyne  
NE1 1XX

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Birmingham

# **TARMAC NORTHERN LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

### **ACTIVITIES**

The Company's principal activity during the year was the extraction, processing and sale of minerals and services to the construction, steel and agricultural industries.

Costs associated with the Company's operation are borne by Tarmac Limited (the principal Company) and the benefit of turnover is transferred to that Company.

The company derives interest income from interest-bearing loans to group companies.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

On 1 January 2001 the trade and assets of Tarmac Northern Limited were transferred to Tarmac Limited. However, Tarmac Northern Limited is continuing to trade, acting as an undisclosed agent of Tarmac Limited.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The retained profit for the financial year amounted to £5,819,000 (2001: £5,612,000). The directors do not recommend the payment of a dividend (2001: £Nil) which leaves a profit of £5,819,000 (2001: £5,612,000) to be transferred to reserves.

### **CREDITOR PAYMENT POLICY**

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by agreed terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions. At 31 December 2002, trade creditors of the Company represented Nil (2001: Nil) days of trade purchases.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

D Baxter  
R I W Boyd  
D C Cather  
G S Greenhalgh  
J M Ibbotson  
F K J Jackson  
B W Larter  
K A Riley (resigned 4 March 2002)  
R S Robertson  
T R Last  
J F Bowater (resigned 1 April 2003)

No director had any interest in the shares of the Company.

No director had any interest, during or at the end of the period, in any contract, which was significant in relation to the Company's business.

The interests of directors in the share capital of Anglo American plc, the Company's ultimate parent Company, are given in the accounts of the following companies:

R S Robertson, F K J Jackson and D C Cather	-	Anglo Industrial Minerals Holdings Limited
T R Last and G S Greenhalgh	-	Tarmac Limited
J F Bowater	-	Tarmac Group Limited

# TARMAC NORTHERN LIMITED

## DIRECTORS' REPORT

The interests of the directors in the share capital of the ultimate parent undertaking, Anglo American plc, were as follows:

	Ordinary Shares of 50 cents each			Share options		
	2002 No	2001 No	2002 No	2001 No	Granted	Exercised
R I W Boyd	1,574	-	31,029	21,516	11,029	(1,516)
D Baxter	58	-	32,480	23,480	9,000	-
B Larter	58	-	23,080	14,080	9,000	-
J M Ibbotson	58	-	32,480	23,480	9,000	-

## AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

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



R I W Boyd  
Secretary

## **TARMAC NORTHERN 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; 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 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 NORTHERN LIMITED**

We have audited the financial statements of Tarmac Northern Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds 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**

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

*2 October 2003*

# TARMAC NORTHERN LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2002

	Note	2002 £'000	2001 £'000
<b>TURNOVER</b>	2	242,537	228,194
Transfer of beneficial interest to principal		(242,537)	(228,194)
<b>OPERATING PROFIT</b>		-	-
Group interest receivable		8,313	8,017
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		8,313	8,017
Tax on profit on ordinary activities	4	(2,494)	(2,405)
<b>RETAINED PROFIT TRANSFERRED TO RESERVES</b>		5,819	5,612

All activities relate to continuing operations.

There are no recognised gains and losses other than the profit of £5,819,000 for the year (2001: £5,612,000). Therefore, no separate statement of total recognised gains and losses has been presented.



# TARMAC NORTHERN LIMITED

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS Year ended 31 December 2002

	2002 £'000	2001 £'000
Profit for financial year	5,819	5,612
Opening shareholders' funds	71,191	65,579
Closing shareholders' funds	<u>77,010</u>	<u>71,191</u>

# TARMAC NORTHERN LIMITED

## BALANCE SHEET 31 December 2002

	Note	2002 £'000	2001 £'000
<b>CURRENT ASSETS</b>			
Debtors	5	81,909	73,596
<b>CREDITORS: amounts falling due within one year</b>	6	(4,899)	(2,405)
<b>NET ASSETS</b>		<u>77,010</u>	<u>71,191</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	7	65,000	65,000
Profit and loss account	8	<u>12,010</u>	<u>6,191</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>77,010</u>	<u>71,191</u>

These financial statements were approved by the Board of Directors on 22nd September 2003.  
Signed on behalf of the Board of Directors



R I W Boyd  
Director

# TARMAC NORTHERN LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 1. ACCOUNTING POLICIES

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

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Deferred taxation

Deferred tax is provided using the full provision method following the adoption of Financial Reporting Standard 19. 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. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. Turnover and profit on ordinary activities before taxation are attributable to one activity, the extraction, processing and sale of minerals, surfacing and construction services.

An analysis of turnover after by geographical market of turnover is as follows:

	Turnover	
	2002 £'000	2001 £'000
United Kingdom	240,109	225,233
Europe	2,428	2,961
	<u>242,537</u>	<u>228,194</u>

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

R S Robertson, F K J Jackson and D C Cather are paid by Anglo Industrial Minerals Holdings Limited. K A Riley was, and G S Greenhalgh and T R Last are, paid by Tarmac Limited. J F Bowater is paid by Tarmac Group Limited. The above directors' emoluments are disclosed in their respective Company financial statements.

The other directors are paid by Tarmac Limited for their qualifying services in respect of Tarmac Northern Limited.

# TARMAC NORTHERN LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

	2002 £'000	2001 £'000
<b>Directors' emoluments</b>		
Salary	460	351
Pension Costs	55	38
	<u>515</u>	<u>389</u>
<b>Highest paid director</b>		
Salaries (excluding pension contributions)	138	105
Pension contributions	13	7
	<u>151</u>	<u>112</u>
	<b>No.</b>	<b>No.</b>
Directors to whom retirement benefits are accruing in respect of qualifying service in a defined benefit pension scheme	<u>4</u>	<u>4</u>

There were no employees during the year, and accordingly no staff costs.

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
<b>Corporation tax:</b>		
Taxation charge based on the profit for the year 30% (2001: 30%)	<u>2,494</u>	<u>2,405</u>

There is no effect on net assets or results for the current or prior years resulting from the adoption of FRS 19 (Deferred Tax) during the current year.

	2002 £'000	2001 £'000
<b>Reconciliation of current tax charge:</b>		
Profit on ordinary activities before tax	<u>8,313</u>	<u>8,017</u>
Tax at 30% thereon	<u>2,494</u>	<u>2,405</u>

### 5. DEBTORS

	2002 £'000	2001 £'000
Amounts owed by parent and fellow subsidiary undertakings	<u>81,909</u>	<u>73,596</u>

# TARMAC NORTHERN LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2002

### 6. CREDITORS DUE WITHIN ONE YEAR

	2002 £'000	2001 £'000
Corporation tax	<u>4,899</u>	<u>2,405</u>

### 7. CALLED UP EQUITY SHARE CAPITAL

	No	£'000
<b>Authorised</b>		
Ordinary shares of £1 each - equity		
At 31 December 2002 and 31 December 2001	<u>65,000,000</u>	<u>65,000</u>
<b>Called up, allotted and fully paid</b>		
Ordinary shares of £1 each - equity		
At 31 December 2002 and 31 December 2001	<u>65,000,000</u>	<u>65,000</u>

### 8. RESERVES

	Profit and loss account £'000
At 1 January 2002	6,191
Profit for the financial year	<u>5,819</u>
At 31 December 2002	<u>12,010</u>

### 9. CONTINGENT LIABILITIES

The Company is a member of a VAT group comprising Anglo American Services (UK) Limited and certain of its subsidiary undertakings, and as such is jointly and severally liable for the liabilities of that VAT group.

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

### 10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard Number 8 not to disclose related party transactions with Anglo American plc companies.

### 11. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling entity of Tarmac Northern Limited and the parent company of the smallest and largest group for which group accounts are prepared is Anglo American plc, a company registered in England and Wales. Copies of the Group accounts are available from Anglo American plc at 20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom.