

**Company Registration No. 05484014**

**TARMAC AND CHURNGOLD RECYCLED  
AGGREGATES LIMITED**

**Report and Financial Statements**

**30 June 2006**

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# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2006

### PRINCIPAL ACTIVITIES

The principal activities of the company are the importation and crushing of construction waste arisings to produce recycled aggregates for sale to the building materials industry in the United Kingdom.

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company was incorporated on 17<sup>th</sup> June 2005 but did not commence trading until March 2006. The directors are confident in the company's prospects in a competitive market, and until such time as it can move to freehold sites owned by the shareholders, the company will continue to trade from its leasehold site in Filton, Bristol.

### DIVIDENDS AND RESERVES

The directors do not recommend a dividend for the year. The profit for the year after taxation of £5,892 has been added to reserves.

### DIRECTORS AND THEIR INTERESTS

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

J R Ancell	Appointed 17/6/2005	
J D Barcham	Appointed 17/6/2005	
M K Riley	Appointed 17/6/2005	
J F V B Serfontein	Appointed 17/6/2005	
A G Sheppard	Appointed 17/6/2005	
R N Tredwin	Appointed 17/6/2005	
T C Jackson	Appointed 17/6/2005	Resigned 31/07/2006

None of the directors had any interest in the ordinary share capital of the company during the year.

### RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including credit risk, liquidity risk and, price risk.

#### *Credit risk*

The Company's principal financial assets are bank balance and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, and is covered by credit insurance.

#### *Liquidity risk*

In order to maintain liquidity, the Company ensures that sufficient funds are available for ongoing operations and future developments.

#### *Price risk*

The Company is exposed to commodity price risk. The Company does not manage its exposure to commodity price risk due to cost benefit considerations.

### DISCLOSURE OF INFORMATION TO AUDITORS

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

# **TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED**

## **DIRECTORS' REPORT**

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 the steps that he ought to have taken as a director in order to make himself 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 s324ZA of the Companies Act 1985.

## **AUDITORS**

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

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

A G Sheppard

Director

# **TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the group and of the profit or loss of the group for that period and comply with UK GAAP and the Companies Act 1985. 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 AND CHURNGOLD RECYCLED AGGREGATES LIMITED**

We have audited the financial statements of Tarmac and Churngold Recycled Aggregates Limited for the year ended 30 June 2006 which comprise the profit and loss account, balance sheet, cash flow statement and the related notes 1 to 14. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions 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 or material inconsistencies with the financial statements.

## **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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30<sup>th</sup> June 2006 and of its profit for the period then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

## **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Birmingham

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2006

	Note	2006 £
<b>TURNOVER</b>	1	238,531
Cost of sales		<u>(214,245)</u>
Gross profit		24,286
Distribution costs		-
Administrative expenses		<u>(16,185)</u>
<b>OPERATING PROFIT</b>		8,101
Interest receivable / (payable)	4	<u>(668)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		7,433
Tax on profit on ordinary activities	5	<u>(1,541)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED PROFIT FOR THE YEAR</b>	11	<u><u>5,892</u></u>

All activities derive from continuing operations.

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

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## BALANCE SHEET 30 June 2006

	Note	£	2006 £
<b>CURRENT ASSETS</b>			
Stocks	6	16,531	
Debtors	7	184,030	
Cash at bank and in hand		13,288	
		<u>213,849</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(165,416)</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			<u>48,433</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			48,433
<b>CREDITORS : amounts falling due after more than one year</b>	9		(40,000)
Provisions for liabilities and charges	5		<u>(1,541)</u>
<b>NET ASSETS/(LIABILITIES)</b>			<u><u>6,892</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10		1,000
Profit and loss account	11		<u>5,892</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12		<u><u>6,892</u></u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors

A G Sheppard

Director

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

### 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.

#### Turnover

Turnover represents amounts invoiced by the company in respect of goods sold during the period, excluding value added tax and trade discounts, and arises wholly within the United Kingdom.

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result on 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.

#### Cash flow statement

The company, having satisfied the Companies Act criteria for being a small company, has taken advantage of the exemption granted by Financial Reporting Standard 1 "Cash Flow Statements" and has not prepared a cash flow statement.

#### Stocks

Stocks are valued at the lower of cost, including production overheads, and net realisable value.

#### Operating leases

Rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

### 2 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

<b>Profit on ordinary activities before taxation is stated after charging:</b>	<b>2006 £</b>
Audit fee	5,000
Depreciation	-
Rentals under operating leases	17,656
	<u>17,656</u>

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

### 4. INTEREST RECEIVABLE / PAYABLE:

	<b>2006</b>
	<b>£</b>
Interest (payable)	(668)
	<u>(668)</u>
	<u>(668)</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<b>2006</b>
	<b>£</b>
United Kingdom corporation tax at 19% based on the profit/(loss) for the year	(1,541)
	<u>(1,541)</u>
Deferred tax	-
	<u>-</u>
Tax on profit on ordinary activities	(1,541)
	<u>(1,541)</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

#### Current tax reconciliation:

Profit on ordinary activities before tax	7,433
	<u>7,433</u>
Current tax at 19%	(1,412)
Effects of:	
Expenses not deductible for tax purposes	(219)
Marginal Relief	90
	<u>(129)</u>
<b>Total current tax charge (see above)</b>	<b>(1,541)</b>
	<u>(1,541)</u>

### 6. STOCKS

	<b>2006</b>
	<b>£</b>
Finished goods	16,531
	<u>16,531</u>

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

### 7. DEBTORS

	<b>2006</b>
	<b>£</b>
Trade debtors	156,685
Due from associated undertakings	27,801
	<u>184,030</u>

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

	<b>2006</b>
	<b>£</b>
Trade creditors	13,441
Payable to associated undertakings	143,301
Accruals and deferred income	4,414
VAT	4,260
	<u>165,416</u>

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

	<b>2006</b>
	<b>£</b>
Shareholder loans	40,000
	<u>40,000</u>

Interest of 0.48% above LIBOR calculated on a daily basis is payable quarterly in arrears on the shareholder loans.

### 10. CALLED UP SHARE CAPITAL

	<b>2006</b>
	<b>£</b>
<b>Authorised</b>	
500 "A" Ordinary shares of £1 each	500
500 "B" Ordinary shares of £1 each	500
	<u>1,000</u>
<b>Called up, allotted and fully paid</b>	
500 "A" Ordinary shares of £1 each	500
500 "B" Ordinary shares of £1 each	500
	<u>1,000</u>

Each class of share is held solely by one member and all shares are pari passu to each other in all respects.

### 11. PROFIT AND LOSS ACCOUNT

	<b>£</b>
Profit for the year	5,892
	<u>5,892</u>
Balance at 30 June 2006	5,892
	<u>5,892</u>

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2006

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

	2006 £
Opening shareholder's funds	-
Profit for the financial year	5,892
Shares issued during the year	1,000
Closing shareholders' funds	<u>6,892</u>

### 13. OPERATING LEASE COMMITMENTS

At 30 June 2006, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2006 £
Leases which expire: After five years	<u>50,000</u>

### 14. RELATED PARTY TRANSACTIONS

The company's share capital is held equally between Tarmac Limited and Churngold Recycling limited, both companies incorporated in Great Britain . During the year the company has the following transactions on normal trading terms and year end balances with these related parties.

	Tarmac Limited 2006 £	Churngold Recycling Limited 2006 £
<b>Transactions:</b>		
Sales	23,960	
Purchases		178,938
<b>Year end balances:</b>		
Trade debtors	27,801	
Trade creditors and accruals	(2,226)	(143,301)
Share holders loan	<u>(20,000)</u>	<u>(20,000)</u>