

**Company Registration No. 05484014**

**TARMAC AND CHURNGOLD RECYCLED  
AGGREGATES LIMITED**

**Report and Financial Statements**

**31 December 2007**

<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Notes to the financial statements</b>	<b>6</b>

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 31 December 2007.

The above 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 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 accounting period end was changed to 31<sup>st</sup> December. These accounts have been prepared for the 18 month period 1<sup>st</sup> July 2006 to 31<sup>st</sup> December 2007.

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 period (2006: £nil). The profit for the period after taxation of £35,252 (2006: £5,892) has been added to reserves. The financial position of the company shows net assets of £42,144 (2006: £6,892).

### DIRECTORS AND THEIR INTERESTS

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

J R Ancell Resigned 21/11/2007

J D Barcham

M K Riley

J F V B Serfontein

A G Sheppard Resigned 21/11/2007

R N Tredwin

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

### 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.

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## DIRECTORS' REPORT (CONTINUED)

### DISCLOSURE OF INFORMATION TO AUDITORS

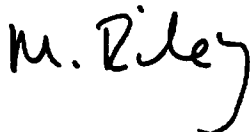
Each of the persons who is a director at the date of approval of this report confirms that:

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 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.

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



M K Riley

Director

Millfields Road

Ettingshall

Wolverhampton

WV4 6JP

# **TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED**

## **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 statements 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 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; 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 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.

# 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 18 months period ended 31 December 2007 which comprise the profit and loss account, balance sheet, 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

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.

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit 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*

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

*16 September 2008*

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## PROFIT AND LOSS ACCOUNT

Period ended 31 December 2007

	Note	18 months ended 31 December 2007 £	4 months ended 30 June 2006 £
<b>TURNOVER</b>	1	1,299,240	238,531
Cost of sales		<u>(1,225,025)</u>	<u>(214,245)</u>
Gross profit		74,215	24,286
Administrative expenses		<u>(37,842)</u>	<u>(16,185)</u>
<b>OPERATING PROFIT</b>	3	36,373	8,101
Interest receivable / (payable)	4	<u>7,443</u>	<u>(668)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		43,816	7,433
Tax on profit on ordinary activities	5	<u>(8,564)</u>	<u>(1,541)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11	<u><u>35,252</u></u>	<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 period and the profit for the preceding financial period. Accordingly, no statement of total recognised gains and losses is given.

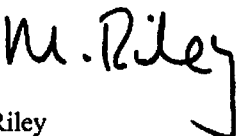
# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## BALANCE SHEET 31 December 2007

	Note	31 December 2007 £	30 June 2006 £
<b>CURRENT ASSETS</b>			
Stocks	6	-	16,531
Debtors	7	115,275	184,030
Cash at bank and in hand		142,663	13,288
		<u>257,938</u>	<u>213,849</u>
<b>CREDITORS: amounts falling due within one year</b>			
	8	<u>(215,794)</u>	<u>(166,957)</u>
<b>NET CURRENT ASSETS</b>		<u>42,144</u>	<u>46,892</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		42,144	46,892
<b>CREDITORS : amounts falling due after more than one year</b>			
	9	-	(40,000)
<b>NET ASSETS</b>		<u>42,144</u>	<u>6,892</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,000	1,000
Profit and loss account	11	41,144	5,892
<b>SHAREHOLDERS' FUNDS</b>		<u>42,144</u>	<u>6,892</u>

These financial statements were approved by the Board of Directors on *12th September 2008*.

Signed on behalf of the Board of Directors

  
M K Riley  
Director

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

### 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.

#### Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension surpluses and deficits is adjusted against these surpluses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using the rate of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### 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. OPERATING PROFIT

Operating profit is stated after charging:	18 months ended 31 December 2007 £	4 months ended 30 June 2006 £
Audit fee	1,000	5,000
Depreciation	-	-
Rentals under operating leases	33,086	17,656

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

### 4. INTEREST RECEIVABLE / PAYABLE:

	18 months ended 31 December 2007 £	4 months ended 30 June 2006 £
Interest receivable / (payable)	7,443	(668)
	<u>7,443</u>	<u>(668)</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	18 months ended 31 December 2007 £	4 months ended 30 June 2006 £
United Kingdom corporation tax at 20%/19% based on the profit for the period	(8,564)	(1,541)
Total current tax	(8,564)	(1,541)
Deferred tax	-	-
Tax on profit on ordinary activities	<u>(8,564)</u>	<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:

	18 months ended 31 December 2007 £	4 months ended 30 June 2006 £
Profit on ordinary activities before tax	43,816	7,433
Current tax at 20%/19%	(8,763)	(1,412)
Effects of:		
Expenses not deductible for tax purposes	(199)	(219)
Marginal Relief	-	90
<b>Total current tax charge (see above)</b>	<u>(8,564)</u>	<u>(1,541)</u>

The corporation tax rate increased from 20% to 21% with effect from 1 April 2008 and therefore this is expected to have an impact on the period to 31 December 2008.

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 December 2007

### 6. STOCKS

	31 December 2007	30 June 2006
	£	£
Finished goods	-	16,531

### 7. DEBTORS

	31 December 2007	30 June 2006
	£	£
Amounts due within one year:		
Trade debtors	86,163	156,229
Due from associated undertakings	19,397	27,801
VAT	9,715	-
	<u>115,275</u>	<u>184,030</u>

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

	31 December 2007	30 June 2006
	£	£
Trade creditors	16,374	6,071
Shareholder loans	40,000	-
Accruals and deferred income	-	4,414
UK Corporation tax payable	8,564	1,541
VAT	-	4,260
Payable to associated undertakings	150,856	150,671
	<u>215,794</u>	<u>166,957</u>

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

	31 December 2007	30 June 2006
	£	£
Shareholder loans	-	40,000

### 10. CALLED UP SHARE CAPITAL

	31 December 2007	30 June 2006
	£	£
<b>Authorised</b>		
500 "A" Ordinary shares of £1 each	500	500
500 "B" Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
500 "A" Ordinary shares of £1 each	500	500
500 "B" Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

# TARMAC AND CHURNGOLD RECYCLED AGGREGATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### Period ended 31 December 2007

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

	£
At beginning of period	5,892
Profit for the period	35,252
	<hr/>
Balance at 31 December 2007	41,144
	<hr/> <hr/>

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

	31 December 2007 £	30 June 2006 £
Opening shareholder's funds	6,892	-
Profit for the financial period	35,252	5,892
Shares issued during the period	-	1,000
	<hr/>	<hr/>
Closing shareholders' funds	42,144	6,892
	<hr/> <hr/>	<hr/> <hr/>

#### 13. OPERATING LEASE COMMITMENTS

At 31 December 2007, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and 31 December 2007 £	Buildings 30 June 2006 £
Leases which expire: After five years	50,000	50,000
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#### 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 period the company has the following transactions on normal trading terms and year end balances with these related parties.

	Tarmac Limited		Churngold Recycling Limited	
	31 December 2007 £	30 June 2006 £	31 December 2007 £	30 June 2006 £
<b>Transactions:</b>				
Sales	104,079	23,960	-	-
Purchases	128,950	-	71,394	178,938
Interest on shareholders loan	-	334	-	334
<b>Year end balances:</b>				
Trade debtors	-	27,801	19,397	-
Trade creditors and accruals	(88,257)	(7,370)	(62,599)	(143,301)
Share holders loan	(20,000)	(20,000)	(20,000)	(20,000)
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