Registered number 00883021

North Tyne Roadstone Limited

Annual report and financial statements

for the year ended 31 December 2012

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North Tyne Roadstone Limited

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For the year ended 31 December 2012

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North Tyne Roadstone Limited

Officers and professional advisers
For the year ended 31 December 2012

Directors

N Beale

B J Guyatt

J K Lindsay

M H F Colligan

Registered office

Millfields Road

Ettingshall

Wolverhampton

WV4 6JP

Bankers

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, United Kingdom

North Tyne Roadstone Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2012

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

Principal activities

The principal activity of the Company was the extraction, processing and sale of roadstone and limestone aggregates in the United Kingdom The site is currently mothballed

Going Concern

The Company is loss making but has net assets The directors have received letters of support from Tarmac Limited and Hanson Limited confirming their support of the continuation of the operations of North Tyne Roadstone Limited in accordance with the shareholders' agreement

As such, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements

Subsequent events

On 18 February 2011 Anglo American Plc and Lafarge S A announced their agreement to combine their cement aggregates, ready-mixed concrete, asphalt and contracting businesses in the United Kingdom Tarmac Limited, Lafarge Cement UK Limited and Lafarge Aggregates Limited into a new Joint Venture company (the "Joint Venture") subject to regulatory clearance The 50 50 Joint Venture would create a leading UK construction materials company, with a portfolio of high quality assets drawing on the complementary geographical distribution of operations and assets, the skills of two experienced management teams and a portfolio of well-known and innovative brands

The proposed Joint Venture was referred by the Office of Fair Trading to the Competition Commission ("CC") who on 1 May 2012 published its final report It concluded that a number of divestments of assets (remedies) would be required to be made in order to secure regulatory clearance A list of divestment assets was published by the CC These assets were hived down to Hope Cement Limited (formerly Lafarge SPV Limited) and Hope Ready Mixed Concrete Limited (formerly Tarmac SPV Limited), both companies 100% owned in the Lafarge SA and Anglo American groups respectively Both companies were sold to an external buyer on 7 January 2013 Following final clearance from the CC, the Joint Venture was formed and began trading

As part of the above arrangements the Company's shareholder, Tarmac Limited, has been contributed to the Joint Venture

Dividends

No dividend was paid during the year (2011 £Nil) The retained loss for the year of £112,682 (2011 £132,573) has been transferred to reserves

Directors

The directors, who served throughout the year except as noted, were as follows

S D Phillips (resigned 10 Oct 2012)
C A Stubbs (resigned 30 April 2012)
N Beale
J B Guyatt
J K Lindsay
M Colligan

North Tyne Roadstone Limited

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S D Phillips (resigned 10 Oct 2012)
C A Stubbs (resigned 30 April 2012)
N Beale (appointed 10 October 2012)
B J Guyatt (appointed 1 November 2012)
J K Lindsay
M H F Colligan

Directors' report (continued)

Auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- 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 auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed No notice in accordance with section 488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of auditors under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in absence of a general meeting

Approved by the Board and signed on its behalf by

J K Lindsay
Director

27 September 2013

North Tyne Roadstone Limited

Directors' responsibilities statement

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting estimates that are reasonable and prudent, and
- state weather applicable UK 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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 auditor's report to the members of North Tyne Roadstone Limited

We have audited the financial statements of North Tyne Roadstone Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account and the Balance Sheet, and the related notes 1 to 19 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit,
- the directors were not entitled to prepare financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report

Jane Whitlock (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
27 September 2013

North Tyne Roadstone Limited

Profit and Loss Account
Year Ended 31 December 2012

	Note	2012 £	2011 £
Administration Expenses		(105 929)	(102,320)
Operating loss		(105,929)	(102,320)
Loss on sale of tangible fixed assets		-	(16,158)
Loss on ordinary activities before finance income		(105,929)	(118,478)
Net finance charge	2	(6,753)	(14,095)
Loss on ordinary activities before taxation	3	(112,682)	(132,573)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation and for the financial year	12,13	(112,682)	(132 573)

All activities derive from continuing operations

There were no recognised gains or losses other than the loss in 2012 and in 2011 Therefore, no separate statement of recognised gains and losses has been presented

North Tyne Roadstone Limited

Balance Sheet
At 31 December 2012

	Note	2012 £	2011 £
Fixed Assets			
Tangible assets	6	618,588	631,304
		618,588	631,304
Current Assets			
Debtors	7	39,116	36,922
Cash at bank and in hand		266,312	358,201
		305,428	395,123
Creditors Amounts falling due within one year	8	(15,053)	(7,590)
Net Current Assets		290,375	387,533
Total Assets less Current Liabilities		908,963	1,018,837
Provisions for Liabilities	9	(293,886)	(291,078)
Net Assets		615,077	727,759
Capital and Reserves			
Called-up share capital	11	12,500	12,500
Profit and loss account	12	602,577	715,259
Shareholders' Funds	13	615,077	727,759

The financial statements of North Tyne Roadstone (registered number 00883021) were approved by the board of directors and authorised for issue on 27 September 2013 They were signed on its behalf by

J K Lindsay
Director

North Tyne Roadstone Limited

Notes to the financial statements (continued)

1 Accounting policies

The principal accounting policies are summarised below They have all been applied consistently throughout the year and the preceding year

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Going concern

The financial statements are prepared on a going concern basis as described in the directors' report in accordance with applicable UK accounting standards

Restoration and decommissioning provision

Provision is made for the net present value of the total estimated cost of restoring land where quarrying activities have been undertaken and there is an obligation to restore these sites Where this provision gives access to future economic benefits, an asset is recognised within fixed assets, which is charged to the profit and loss account through depreciation over the life of the site

Cash flow statement

North Tyne Roadstone has taken advantage of the small companies regime exemptions, and as such is exempt under FRS 1 "Cash Flow Statements" of preparing a cash flow statement

Leased assets

Operating lease rentals are charged to the profit and loss account in equal instalments over the life of the lease, except that provision is made for the expected net cost on vacant leasehold properties

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

Current taxation

Current tax, including UK corporation tax and foreign 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

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is based on historical cost, and the estimated economic lives of the assets concerned Freehold land is not depreciated Other tangible fixed assets are depreciated in equal annual instalments over the period of their estimated economic lives which are principally as follows

Land and Buildings – The remaining land and buildings asset is freehold land that is not depreciated

Plant and machinery 3-6 years

Mineral reserves and stripping are amortised over their estimated commercial life on a unit of production basis

Residual value is calculated on prices prevailing at the date of acquisition or revaluation

Pension costs

The Company has taken advantage of the exemption contained in FRS 17, "Retirement Benefits" with respect to multi employer defined benefit schemes Consequently, these have been treated as defined contribution schemes for the purposes of these accounts

Notes to the financial statements (continued)

2 Net finance charge

	2012 £	2011 £
Interest receivable and other income		
Bank Deposits	332	414
Interest payable and other charges		
Unwinding of discounting on provisions	(7,085)	(14,509)
Net finance charge	(6,753)	(14,095)

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned	12,716	18,213
Other operating leases – land and buildings	66,078	65,779

The analysis of auditor's remuneration is as follows

	2012 £	2011 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3,200	3,000

Non audit fees were £nil in both current and prior years

4 Staff costs

The Company had no employees during the year (2011 nil)

The emoluments of the directors are paid by another group company as their services to North Tyne Roadstone Limited are incidental to their services provided to other group companies

Notes to the financial statements (continued)

5 Tax on loss on ordinary activities

The tax credit comprises

	2012 £	2011 £
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(1,304)
Effect of changes in tax rates	-	1,303
Adjustments in respect of prior years	-	1
Total deferred tax (see note 10)	-	-
Total tax credit on loss on ordinary activities	-	-

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

	2012 £	2011 £
Loss on ordinary activities before tax	(112,682)	(132,573)
Tax on loss on ordinary activities at standard UK corporation tax rate of 24 5% (2011 26 5%)	(27,607)	(35,132)
Effects of		
Expenses not deductible for tax purposes	756	591
Depreciation in excess of capital allowances	1,282	10,117
Movements in short term timing differences	688	(2,284)
Tax losses arising in the period – not recognised	24,881	26,707
Adjustments to tax charge in respect of previous periods	-	1
Current tax credit for period	-	-

The Budget 2012 introduced a reduction in the main rate of corporation tax from 25% to 23% with effect from 1 April 2013 This legislation was substantively enacted on 3 July 2012 and as such, in accordance with UK GAAP, the rate of 23% is used for the calculation of the deferred tax position at 31 December 2012 on the basis that it will materially reverse after 1 April 2013

The Budget 2013, issued on 20 March 2013, announced that the main rate of corporation tax would be reduced to 21% from 1 April 2014 and to 20% with effect from 1 April 2015 These future rate reductions had not been substantively enacted at the balance sheet date, therefore have not been reflected in these financial statements The effect of these rate reductions will be accounted for in the period they are substantively enacted

Notes to the financial statements (continued)

6 Tangible fixed assets

	Land and buildings	Plant, machinery and vehicles	Short Leasehold Mineral Reserves	Stripping	Total
	£	£	£	£	£
Cost					
At 1 January 2012	38,290	333,771	1,224,445	145,445	1,741,951
At 31 December 2012	38,290	333,771	1,224,445	145,445	1,741,951
Accumulated depreciation					
At 1 January 2012	35,890	300,766	701,200	72,791	1,110,647
Charge for the year	-	12,716	-	-	12,716
At 31 December 2012	35,890	313,482	701,200	72,791	1,123,363
Net book value					
At 31 December 2012	2,400	20,290	523,245	72,654	618,588
At 31 December 2011	2,400	33,005	523,245	72,654	631,304

Mineral reserves and stripping are amortised over their estimated commercial life on a unit of production basis As the site is currently mothballed, there was no production in the year, hence no amortisation with respect to mineral reserves and stripping

7 Debtors

	2012	2011
	£	£
Trade debtors	1,442	146
VAT	3,195	1,682
Consortium relief debtor	8,292	8,292
Prepayments and accrued income	26,187	26,802
	39,116	36,922

8 Creditors: Amounts falling due within one year

	2012	2011
	£	£
Amounts due to related parties	7,288	69
Accruals and deferred income	7,765	7,521
	15,053	7,590

9 Provisions for liabilities

	Provisions £
At 1 January 2012	291,078
Utilisation of provision	(4,277)
Unwinding of discount	7,085
At 31 December 2012	293,886

Restoration provisions to restore land where quarrying activities have been undertaken are expected to be utilised over the extraction life of the relevant quarry

10 Deferred tax asset

	£
At 1 January 2012 and 31 December 2012	-

Deferred tax recognised is £nil (2011 £nil)

The deferred tax asset of £272,425 is not recognised at 31 December 2012 due to uncertainty of the recoverability of the asset

11 Called-up share capital

	2012 £	2011 £
Allotted, called-up and fully-paid		
12,500 ordinary 'A' shares of £1 each	6,250	6,250
12,500 ordinary 'B' shares of £1 each	6,250	6,250
	12,500	12,500

Each class of share is held solely by one member and all shares rank pari passu in all other respects

12. Reserves

	Profit and loss account £
At 1 January 2012	715,259
Loss for the financial year	(112,682)
At 31 December 2012	602,577

Notes to the financial statements (continued)

13. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(112,682)	(132,573)
Net reduction in shareholders' funds	(112,682)	(132,573)
Opening shareholders' funds	727,759	860,332
Closing shareholders' funds	615,077	727,759

14 Financial commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2012 £	2011 £
Expiry date		
- between two and five years	66,078	65,779

15 Pensions

The pension schemes to which the Company contributes are the money purchase types and are for the benefit of all relevant employees of Tarmac Group and its United Kingdom subsidiary undertakings ("the group") During the year the Company made contributions to the Group Schemes of £nil (2011 £nil)

16. Related party transactions

The Company's share capital is held equally between Tarmac Limited, a company ultimately controlled by Anglo American plc at year end, and Hanson Quarry Products Ventures Limited, a company ultimately controlled by Heidelberg Cement AG all of which are incorporated in the United Kingdom except the latter which is incorporated in Germany During the year the Company entered into the following transactions, on normal trading terms, and had the following year end balances with these related parties

The related party transactions with the Company's shareholder companies are as follows

	2012				2011			
	During the year		At 31 December		During the year		At 31 December	
	Sales £	Purchases £	Debtors £	Creditors £	Sales £	Purchases £	Debtors £	Creditors £
Joint venture Partners								
Tarmac	-	-	-	7,288	-	-	-	69
Hanson	-	-	-	-	-	-	-	-

17 Contingent liabilities

The Company has cash which forms part of a composite accounting agreement with Anglo American plc and certain of its subsidiaries Accordingly, the Company in concert with those other group companies has entered into arrangements whereby each has offered a limited guarantee in respect of the others' overdraft borrowings from time to time The Company s maximum liability is limited to the extent of its current account cash balances from time to time which at 31 December 2012 amounted to £266,312 (2011 £358,201)

Notes to the financial statements (continued)

18. Subsequent events

On 7 January 2013 the Competition Commission ("CC") approved the Joint Venture between Lafarge SA and Anglo-American plc following the divestment of a number of assets on 7 January 2013, as required by the CC in order to secure this regulatory clearance The Joint Venture was formed and began trading on 7 January 2013 As part of the above arrangements the Company's shareholder, Tarmac Limited, has been contributed to the Joint Venture

19. Ultimate parent company

There is no ultimate controlling party as the company's share capital is held equally by Tarmac Limited and Hanson Quarry Products Ventures Limited, both of which are incorporated in the United Kingdom