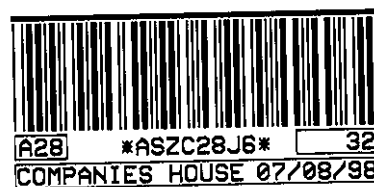


Registered Company Number 74643

TILBURY SECURITIES PLC

31st December 1997



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1997.

ACTIVITIES

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

RESULTS

The results of the company are as set out in the accounts on pages 4 to 8. An interim dividend of £277,000 was paid during the year (1996 - £286,000) and the directors recommend a final dividend of £1,043,000 (1996 - £813,000). A profit of £nil (1996 - £nil) has been transferred to reserves.

DIRECTORS

The directors who served during the year are set out below:-

Mr M C Bottjer
Mr M S Lee

In accordance with the Articles of Association Mr Bottjer retires by rotation at the next Annual General Meeting and, being eligible, offers himself for re-election.

Neither of the directors has any beneficial interests in the shares of the company.

The directors at 31st December 1997 are also directors of the ultimate parent undertaking and their interests in the capital of that company are disclosed in its accounts.

The directors have no other interest in any other group undertaking (1996 - none).

AUDITORS

A resolution will be proposed at the Annual General Meeting to reappoint Deloitte & Touche as auditors to the company.

Tilbury House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

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


L. RICHARDSON

Secretary

 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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;
- * 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.

AUDITORS' REPORT TO THE MEMBERS OF TILBURY SECURITIES PLC

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 circumstances of the company 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 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Hill House
1 Little New Street
London EC4A 3TR

5 August 1998

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997

	Note	1997 £	1996 £
Income from fixed asset investment			
Dividends receivable from subsidiary undertaking		<u>1,320,000</u>	<u>1,132,693</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,320,000	1,132,693
Tax on profit on ordinary activities	2	<u>-</u>	<u>(33,693)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,320,000	1,099,000
Dividends	3	<u>(1,320,000)</u>	<u>(1,099,000)</u>
RETAINED PROFIT FOR THE YEAR	7	<u>£ -</u>	<u>£ -</u>

All activities are continuing as defined under FRS3 : Reporting Financial Performance.

A statement of Total Recognised Gains and Losses is not presented as there have been no recognised gains or losses other than the profit for the financial year and the preceding financial year set out above.


BALANCE SHEET AT 31ST DECEMBER 1997

	Note	1997	1996
		£	£
FIXED ASSETS			
Investment in subsidiary undertaking	4	9,289,266	9,289,266
CURRENT ASSETS			
Dividend receivable		1,043,000	813,000
CREDITORS FALLING DUE WITHIN ONE YEAR			
Sundry creditors	5	<u>10,206,699</u>	<u>9,976,699</u>
NET CURRENT LIABILITIES		<u>(9,163,699)</u>	<u>(9,163,699)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 125,567</u>	<u>£ 125,567</u>
CAPITAL AND RESERVES			
Called up share capital	6	125,000	125,000
Profit and loss account	7	<u>567</u>	<u>567</u>
SHAREHOLDERS' FUNDS			
Equity Interest		<u>£ 125,567</u>	<u>£ 125,567</u>

These financial statements were approved by the Board of Directors on
 6th July 1998. Signed on behalf of the Board of Directors.



M C BOTTJER



M S LEE

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

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

a. CONVENTION

These financial statements have been prepared in accordance with the historical cost convention.

b. FIXED ASSET INVESTMENTS

Investments in subsidiary undertakings are stated at cost less provision for any permanent diminution in value.

	1997 £	1996 £
2. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation Tax - tax deducted from dividends received	<u>£ -</u>	<u>£ 33,693</u>
3. DIVIDENDS		
Interim Dividend paid		
On 125,000 ordinary shares of £1 each at £2.216 per share (1996- £2.288)	£ 277,000	286,000
Proposed final dividend		
On 125,000 ordinary shares of £1 each at £8.344 per share (1996 - £6.504)	<u>£1,043,000</u>	<u>£ 813,000</u>
	<u>£1,320,000</u>	<u>£1,099,000</u>
4. INVESTMENT IN SUBSIDIARY UNDERTAKING		
Shares at cost	<u>£9,289,266</u>	<u>£9,289,266</u>

The principal subsidiary undertakings are set out below. None of the shares relate to a listed investment. Unless otherwise indicated the subsidiary undertakings are wholly owned and incorporated in Great Britain. Shareholdings in companies marked * are indirectly held.

West's Group International Plc - holding company

Westpile Ltd* - piling and foundations

United Kingdom Construction
& Engineering Company Ltd* - engineering design and construction

Tilbury Overseas Holdings Ltd* - holding company

Tilbury Iberica S.A.* (14.3%) - property development and housebuilding
(Incorporated in Spain)

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997 continued

4. INVESTMENT IN SUBSIDIARY UNDERTAKING (continued)

In accordance with the provisions of Section 228 of The Companies Act 1985 the company is exempt from the obligation to prepare and deliver group accounts as the company is included in the audited consolidated accounts of its parent undertaking, Tilbury Douglas Plc, which is incorporated in Great Britain and registered in England and Wales. Accordingly these financial statements present information about the company as an individual undertaking and not as a group.

In the opinion of the directors the aggregate value of the shares in subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the balance sheet.

	1997 £	1996 £
5. SUNDRY CREDITORS		
Amounts owed to ultimate parent undertaking	9,163,583	9,163,583
Other creditors	116	116
Dividend proposed	1,043,000	813,000
	<u>£10,206,699</u>	<u>£9,976,699</u>
6. CALLED UP SHARE CAPITAL		
Authorised		
200,000 ordinary shares of £1 each	<u>£ 200,000</u>	<u>£ 200,000</u>
Allotted and fully paid		
125,000 ordinary shares of £1 each	<u>£ 125,000</u>	<u>£ 125,000</u>
7. PROFIT AND LOSS ACCOUNT		
1st January	567	567
Retained profit for the year	-	-
31st December	<u>£ 567</u>	<u>£ 567</u>
8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit attributable to shareholders	1,320,000	1,099,000
Dividends	<u>(1,320,000)</u>	<u>(1,099,000)</u>
Movement in year	-	-
Opening shareholders' funds	-	125,567
	<u>125,567</u>	
Closing shareholders' funds	<u>£125,567</u>	<u>£ 125,567</u>

9. CONTINGENT LIABILITIES

At 31st December 1997 there were contingent liabilities in respect of guarantees given in the ordinary course of business.

The company has given guarantees covering banking facilities made available to the ultimate parent and fellow subsidiary undertakings. At 31st December 1997 these amounted to £10,861,000 (1996 £10,540,000).

10. CASH FLOW STATEMENT

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 - Cash Flow Statements not to do so, as the ultimate parent undertaking, Tilbury Douglas Plc, has included a consolidated cash flow statement in the group accounts.

11. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is Tilbury Douglas Plc, which is incorporated in Great Britain. The group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 - Related Party Transactions not to report transactions with Tilbury Douglas Group related parties, which are disclosed in the consolidated financial statements of Tilbury Douglas Plc.