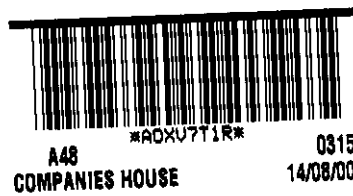


**Registered Company Number 252221**

**TILBURY DOUGLAS INVESTMENTS PLC**

**31 December 1999**



**REPORT OF THE DIRECTORS**

---

The directors present their report and the audited accounts for the year ended 31 December 1999.

**ACTIVITY**

The principal activity of the company is that of a holding company. This activity is expected to continue for the foreseeable future.

**RESULTS**

The results of the company are as set out in the accounts on pages 4 to 10. The directors propose a final and total dividend for the year ended 31 December 1999 of £6,000,000 (1998 Total : £5,953,000).

**DIRECTORS**

The directors who served during the year and who remain directors at the date of this report are set out below:-

M C Bottjer  
M S Lee  
A R Hannah  
G J Wentzell

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

The directors are also directors of the ultimate parent undertaking and their interests in that company are disclosed in the accounts of that company.

No directors had any interest beneficial or non beneficial, in the share capital of the company or any group undertaking or had a material interest during the year in any significant contract with the company, or any group undertaking (1998 : nil).

**YEAR 2000**

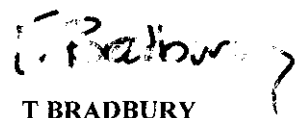
No Year 2000 issues have emerged to date in relation to current and on-going business. The company does not foresee any exceptional costs arising during the current financial year from Year 2000 issues.

**AUDITORS**

A resolution will be proposed at the Annual General Meeting to reappoint Deloitte & Touche as auditors to the company and to authorise the directors to fix their remuneration.

Tilbury House  
Ruscombe Park  
Twyford  
Reading  
Berkshire  
RG10 9JU

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

  
**T BRADBURY**

Secretary

12-1-2000

**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 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 of the company 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 DOUGLAS INVESTMENTS PLC**

---

We have audited the financial statements on pages 4 to 10 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 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hill House  
1 Little New Street  
London EC4A 3TR

*Deloitte & Touche*  
**DELOITTE & TOUCHE**  
Chartered Accountants and  
Registered Auditors

24 May 2000

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

---

	Note	1999 £000	1998 £000
Provision against investments		(438)	-
Other operating income	3	-	20
Income from investments	4	<u>7,197</u>	<u>6,673</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		6,759	6,693
Tax on profit on ordinary activities	5	<u>(618)</u>	<u>(740)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,141	5,953
Dividend	6	<u>(6,000)</u>	<u>(5,953)</u>
<b>RETAINED PROFIT FOR THE YEAR</b>	13	<u>141</u>	<u>-</u>

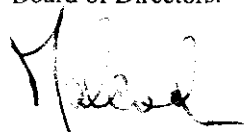
All activities are continuing as defined under FRS3: Reporting Financial Performance.

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 year and prior year set out above.

## BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999		1998	
		£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Investment in associated and subsidiary undertakings	7		16,446		16,439
<b>CURRENT ASSETS</b>					
Debtors	8	5,101		4,804	
<b>CREDITORS FALLING DUE WITHIN ONE YEAR</b>					
Sundry creditors	9	<u>12,922</u>		<u>12,759</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(7,821)</u>		<u>(7,955)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			8,625		8,484
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10		<u>(3,386)</u>		<u>(3,386)</u>
			<u>5,239</u>		<u>5,098</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		3,940		3,940
Share premium account	12		324		324
Profit and loss account	13		<u>975</u>		<u>834</u>
Equity shareholders' funds	14		<u>5,239</u>		<u>5,098</u>

These financial statements were approved by the Board of Directors on 19 May 2000. Signed on behalf of the Board of Directors.



M.S. Lee  
DIRECTOR

19 May 2000

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

**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 and loans to subsidiary and associated undertakings are stated at cost less provision for any material impairment in value.

**c) DEFERRED TAXATION**

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future.

**d) FOREIGN CURRENCY**

Transactions denominated in foreign currency are translated at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit for the year. The financial results and cash flows of foreign subsidiary and associated undertakings are translated into sterling at the average rate of exchange for the year, the balance sheets are translated into sterling at the closing rate of exchange, and the difference arising from the translation of the opening net assets and financial results for the year at closing rate is taken to reserves.

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The company had no employees during the year other than the directors (1998: nil). The directors of the company did not receive remuneration during the year (1998 : £nil).

The audit fee for the company was borne by the ultimate parent company for the current and prior years.

**3. OTHER OPERATING INCOME**

	<b>1999</b>	<b>1998</b>
	<b>£000</b>	<b>£000</b>
Release of provisions on disposal of subsidiary undertaking in prior year	<u>-</u>	<u>20</u>

**4. INCOME FROM INVESTMENTS**

Dividends from subsidiary and associated undertakings	7,112	6,541
Income from share of Group undertakings	<u>85</u>	<u>132</u>
	<u><u>7,197</u></u>	<u><u>6,673</u></u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

	1999 £000	1998 £000
<b>5. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
UK corporation tax at 30% (1998 : 31%) on profit for the year	522	740
Overseas tax	-	223
Double taxation relief	-	(223)
Adjustment in respect of prior years	<u>96</u>	<u>-</u>
	<u>618</u>	<u>740</u>
<b>6. DIVIDENDS</b>		
Proposed final on 15,761,018 equity ordinary shares of 25p each at 38.07p per share (1998 : 37.77p)	<u>6,000</u>	<u>5,953</u>
<b>7. INVESTMENT IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS</b>		
Associated undertakings:		
Shares at cost less provisions	3,588	3,493
Loans less provisions	405	405
Subsidiary undertakings:		
Shares at cost less provisions	<u>12,453</u>	<u>12,541</u>
	<u>16,446</u>	<u>16,439</u>
	<b>Associated Undertakings</b>	<b>Subsidiary Undertakings</b>
	<b>Shares £000</b>	<b>Loans £000</b>
		<b>Shares £000</b>
Cost:		
At 1 January 1999	4,130	1,910
Currency movement	<u>95</u>	<u>-</u>
At 31 December 1999	<u>4,225</u>	<u>1,910</u>
Provisions:		
At 1 January 1999 and 31 December 1999	<u>(637)</u>	<u>(1,505)</u>
Net book value:		
At 31 December 1999	<u>3,588</u>	<u>405</u>
At 31 December 1998	<u>3,493</u>	<u>405</u>
		<u>12,541</u>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

## 7. INVESTMENT IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS (continued)

The principal subsidiary and associated undertakings are set out below. None of the shares relate to a listed investment. Unless otherwise indicated the subsidiary undertakings are wholly owned and registered in England and Wales. Shareholdings in companies marked \* are indirectly held.

- Tilbury Douglas Developments Ltd - property development  
 Tilbury Douglas Projects Ltd - " "  
 \* Tilbury Phoenix Ltd (75%) - " "  
 The Lakeland Village Ltd (49%) - land and property development  
 (total issued capital £1,300,000, divided into ordinary shares of £1 each)  
 Rapid Metal Developments Ltd - equipment hire and sales  
 Rapid Metal Developments (Australia) Pty.Ltd - "  
 (incorporated in Australia)  
 Rapid Metal Developments Ireland Ltd - "  
 (incorporated in Ireland)  
 Rapid Metal Developments (NZ) Ltd - "  
 (incorporated in New Zealand)  
 Rapid Metal Developments (UAE) LLC (49%) - "  
 (incorporated in the Emirate of Sharjah)  
 RMD Korea Ltd - (incorporated in Korea) "  
 RMD Thailand Ltd - (incorporated in Thailand) "  
 RMD (Taiwan) Ltd - (incorporated in Taiwan) "  
 RMD Chile SA - (incorporated in Chile) "  
 RMD Philippines Inc - (incorporated in the Philippines) "  
 RMD Argentina SA - (incorporated in Argentina) "  
 Rapid Metal Development Singapore Pte Ltd - (incorporated in Singapore) - equipment hire and sales  
 RMD Sweden AB - (incorporated in Sweden) "  
 Clough Williams Power Ltd - electrical and industrial engineering  
 Gulf Housing and Construction Company WLL (49%) - civil engineering and building. - (incorporated in Qatar - total issued capital of 1,000,000 Qatar Rials divided into ordinary shares of 1,000 Qatar Rials each)  
 Khansaheb Civil Engineering LLC (45%) - civil engineering and building - (incorporated in Emirate of Dubai - total issued capital UAE Dirhams 11,000,000 divided into ordinary shares of UAE Dirham 1000 each).  
 \* Douglas OHI LLC (33%) (incorporated in Sultanate of Oman - total issued capital 251,000 Omani rials divided into shares of 10 Omani rials each.  
 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 and amounts owing from subsidiary undertakings is not less than the amounts at which they are stated in the balance sheet.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

	1999 £000	1998 £000
<b>8. DEBTORS</b>		
Amount owed by subsidiary undertaking	1,182	1,532
Dividends receivable	<u>3,919</u>	<u>3,272</u>
	<u>5,101</u>	<u>4,804</u>
<b>9. SUNDRY CREDITORS</b>		
Amount owed to parent undertaking	6,598	6,286
Corporation tax	324	520
Dividends proposed	<u>6,000</u>	<u>5,953</u>
	<u>12,922</u>	<u>12,759</u>
<b>10. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Other provisions	<u>3,386</u>	<u>3,386</u>
Other provisions relate to losses in an associated undertaking.		
<b>11. CALLED UP SHARE CAPITAL</b>		
Authorised		
20,000,000 ordinary shares of 25p each	<u>5,000</u>	<u>5,000</u>
Called up, allotted and fully paid		
15,761,018 ordinary shares of 25p each	<u>3,940</u>	<u>3,940</u>
<b>12. SHARE PREMIUM ACCOUNT</b>		
1 January 1999 and 31 December 1999	<u>324</u>	
<b>13. PROFIT AND LOSS ACCOUNT</b>		
1 January 1999	834	
Profit retained for the year	<u>141</u>	
31 December 1999	<u>975</u>	
<b>14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Profit attributable to shareholders	6,141	5,953
Currency movements	-	(96)
Dividends	<u>(6,000)</u>	<u>(5,953)</u>
Movement in Year	141	(96)
Opening shareholders' funds	<u>5,098</u>	<u>5,194</u>
Closing shareholders' funds	<u>5,239</u>	<u>5,098</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

---

**15. CONTINGENT LIABILITIES**

At 31 December 1999 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, fellow subsidiary and associated undertakings. At 31 December 1999 these amounted to £85,131,000 (1998 : £41,348,000).

**16. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY**

The company's immediate and ultimate parent undertaking and controlling party is Tilbury Douglas Plc, which is registered in England and Wales. 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.