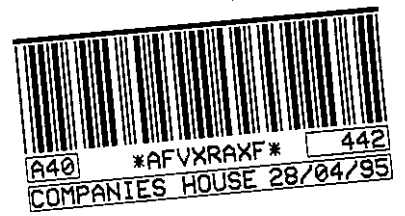


Registered Company Number 252221

ROBERT M. DOUGLAS HOLDINGS PLC

31st December 1994



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1994.

ACTIVITY

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 10. The directors recommend a dividend of £2,262,000 (1993 - £1,135,000) and a profit of £75 (1993 - loss of £3,796,077) has been transferred to/(from) reserves.

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

In accordance with the Articles of Association Mr Lee 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 are also directors of the ultimate parent undertaking and their interests in that company are disclosed in the accounts of that company.

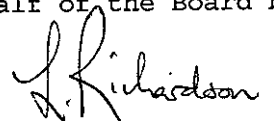
The directors have no other interest in any other group undertaking (1993 - none).

AUDITORS

Touche Ross & Co are willing to be reappointed as auditors in accordance with section 385 of the Companies Act 1985 pursuant to section 119 of the Companies Act 1989. Resolutions will be proposed at the Annual General Meeting to reappoint them 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


L. RICHARDSON

Secretary

24th April 1995

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 ROBERT M. DOUGLAS HOLDINGS 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 31st December 1994 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

Date 24 April 1995


TOUCHE ROSS & CO.
Chartered Accountants and
Registered Auditors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1994

	Note	1994 £	1993 £
Administration expenses		-	44,131
<hr/>			
OPERATING PROFIT		-	44,131
Exceptional items	4	-	(4,449,118)
Income from investments	5	2,257,502	1,599,897
<hr/>			
PROFIT(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,257,502	(2,805,090)
Tax on profit(loss) on ordinary activities	6	<u>4,573</u>	<u>144,013</u>
PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		2,262,075	(2,661,077)
Dividend	7	<u>(2,262,000)</u>	<u>(1,135,000)</u>
RETAINED PROFIT (LOSS) FOR THE YEAR	15	<u>£ 75</u>	<u>£(3,796,077)</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 set out above.

ROBERT M. DOUGLAS HOLDINGS PLC
BALANCE SHEET AT 31ST DECEMBER 1994

Page 5

	Note	1994	1993
		£	£
FIXED ASSETS			
Investment in associated and subsidiary undertakings	8	1,619,550	1,619,550
CURRENT ASSETS			
Debtors	9	9,312,962	8,324,096
Investments	10	<u>3,410</u>	<u>3,410</u>
		9,316,372	8,327,506
CREDITORS FALLING DUE WITHIN ONE YEAR			
Sundry creditors	11	<u>2,262,000</u>	<u>1,273,209</u>
NET CURRENT ASSETS		<u>7,054,372</u>	<u>7,054,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,673,922	8,673,847
PROVISIONS FOR LIABILITIES AND CHARGES			
	12	<u>(3,385,633)</u>	<u>(3,385,633)</u>
		<u>£5,288,289</u>	<u>£5,288,214</u>
CAPITAL AND RESERVE			
Called up share capital	13	3,940,255	3,940,255
Share premium account	14	324,347	324,347
Profit and loss account	15	<u>1,023,687</u>	<u>1,023,612</u>
Equity shareholders' funds		<u>£5,288,289</u>	<u>£5,288,214</u>

These financial statements were approved by the Board of Directors on 24th April 1995. Signed on behalf of the Board of Directors.


M.C. BOTTJER


M.S. LEE

24th April 1995

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

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 permanent diminution 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. Advance corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

2. EMPLOYEES

There are no employees other than the directors.

3. DIRECTORS

No director received any emoluments from the company during the year (1993 - £nil).

4. EXCEPTIONAL ITEMS

Loss on disposal of investment in subsidiary undertaking

1994
£

1993
£

-

652,823

Provisions against amounts owed by fellow subsidiary undertakings

-

3,796,295

£ -

£4,449,118

5. INCOME FROM INVESTMENTS

Dividends from subsidiary undertakings

2,254,252

1,599,897

Dividends from current asset investments

3,250

-

£2,257,502

£1,599,897

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

	1994 £	1993 £
6. TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES		
Taxation is based on the profit (loss) for the year and comprises:		
UK Corporation tax at 33% taxable profits (1993 - 33%)	-	(15,000)
Tax deducted from dividends received	(650)	-
Deferred taxation	<u>-</u>	<u>116,499</u>
	(650)	101,499
Adjustments relating to earlier years		
Corporation tax	<u>5,223</u>	<u>42,514</u>
	<u>£ 4,573</u>	<u>£ 144,013</u>

The tax charge is disproportionately low as the company's income results mainly from non-taxable U.K. dividends.

7. DIVIDENDS

Proposed Final

15,761,018 ordinary shares of 25p each at
14.3519p per share (1993 - 7.2013p)

<u>£2,262,000</u>	<u>£1,135,000</u>
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8. INVESTMENT IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS

Associated undertakings:

Shares at cost less provisions

Loans less provisions

Subsidiary undertakings:

Shares at cost less provisions

<u>1,619,550</u>	<u>1,619,550</u>
<u>£1,619,550</u>	<u>£1,619,550</u>

	Associated Undertakings		Subsidiary Undertakings
	Shares £	Loans £	Shares £
Cost:			
At 1st January 1994 and 31st December 1994	637,000	1,505,000	1,619,550
Provisions:			
At 1st January 1994 and 31st December 1994	<u>(637,000)</u>	<u>(1,505,000)</u>	<u>-</u>
Net book value:			
At 31st December 1993 and 1994	<u>£ -</u>	<u>£ -</u>	<u>£1,619,550</u>

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

8. 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 incorporated in Great Britain and registered in England and Wales. Shareholdings in companies marked * are indirectly held.

Subsidiary undertakings:

- R.M. Douglas Construction Ltd - building and civil engineering
- Hevilifts Ltd - slipform and lift slab construction
- Town and Country Tarpave Contractors Ltd - road surfacing
(registered in Scotland)
- Tilbury Douglas Developments Ltd - property development
- Rapid Metal Developments Ltd - equipment hire and and sales
- * Rapid Metal Developments (Aust.) Pty.Ltd - "
- (incorporated in Australia)
- * Rapid Metal Developments Ireland Ltd - "
- (incorporated in Ireland)
- * Rapid Metal Developments (NZ) Ltd - "
- (incorporated in New Zealand)
- * Realisations Metalliques Developpees SARL - "
- (incorporated in France)
- * Rapid Metal Developments (UAE) LLC (49%) - "
- (incorporated in the Emirate of Sharjah)
- The Lakeland Village Ltd (49%) - land and property development
(total issued capital £1,300,000, divided into ordinary shares of £1 each)

In accordance with the provisions of Section 230 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.

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 ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

	1994 £	1993 £
9. DEBTORS		
Amount owed by parent undertaking	6,961,710	6,470,498
Other debtors	55,000	123,703
Taxation recoverable	42,000	129,998
Dividends receivable	<u>2,254,252</u>	<u>1,599,897</u>
	<u>£9,312,962</u>	<u>£8,324,096</u>
Amounts included above recoverable after more than one year:		
Other debtors	<u>22,000</u>	<u>55,000</u>
10. INVESTMENTS		
Unquoted investments	<u>£ 3,410</u>	<u>£ 3,410</u>
11. SUNDRY CREDITORS		
Other creditors	-	3,631
Corporation tax	-	129,181
Other taxation and social security	-	397
Accruals and deferred income	-	5,000
Dividends proposed	<u>2,262,000</u>	<u>1,135,000</u>
	<u>£2,262,000</u>	<u>£1,273,209</u>
12. PROVISIONS FOR LIABILITIES AND CHARGES		
Other provisions	<u>£3,385,633</u>	<u>£3,385,633</u>
Other provisions relate to losses in an associated undertaking.		
13. CALLED UP SHARE CAPITAL		
Authorised		
20,000,000 ordinary shares of 25p each	<u>£5,000,000</u>	<u>£5,000,000</u>
Allotted and fully paid		
15,761,018 ordinary shares of 25p each	<u>£3,940,255</u>	<u>£3,940,255</u>
14. SHARE PREMIUM ACCOUNT		
1st January 1994 and 31st December 1994	<u>£ 324,347</u>	
15. PROFIT AND LOSS ACCOUNT		
1st January 1994	1,023,612	
Retained profit for the year	<u>75</u>	
31st December 1994	<u>£1,023,687</u>	

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994 (continued)

	1994 £	1993 £
16. MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit/(loss) attributable to shareholders	2,262,075	(2,661,077)
Dividends	<u>(2,262,000)</u>	<u>(1,135,000)</u>
Movement in Year	75	(3,796,077)
Opening shareholders' funds	<u>5,288,214</u>	<u>9,084,291</u>
Closing shareholders' funds	<u>£5,288,289</u>	<u>£5,288,214</u>

17. CONTINGENT LIABILITIES

At 31st December 1994 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 31st December 1994 these amounted to £ nil (1993 - £480,000).

18. 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.

19. ULTIMATE PARENT UNDERTAKING

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