

Tarmac Regional Construction Limited

Directors' report and financial statements

31 December 1994

Registered number 303453



Tarmac Regional Construction Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Directors' responsibilities statement	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

Tarmac Regional Construction Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activity

The company is principally engaged in the development of a harbour village complex at Eastbourne.

Business review

Development of the harbour continues to progress satisfactorily.

The directors anticipate that the company will continue in its present role within the Tarmac Construction Division in 1995.

Proposed dividend

The directors do not recommend the payment of a dividend for the year (1993: £Nil).

Retained profit

The retained profit for the year of £1,610,440 (1993: £282) has been transferred to reserves.

Fixed assets

The company holds an investment property at a value of £400,000 as shown in note 5. There have been no movements in fixed assets in the year. The directors have considered the carrying value of the property and believe that it represents the current market value.

Directors and directors' interests

The directors serving during the year were:

GJ Westwood (resigned 6 February 1995)
GA Cooper
B Pellard
JR Gelston
SJ Reding
BL Staples (resigned 18 April 1994)
BJ Sharples (appointed 5 May 1994)
E McEwan (appointed 6 February 1995)

Tarmac Regional Construction Limited

Directors' report (*continued*)

Directors and directors' interests (*continued*)

The interests of the directors in the share and loan capital of Tarmac PLC (other than where disclosed in the financial statements of the immediate holding company or the ultimate holding company) were as follows:

	At 31 December 1994		Number of 50p ordinary shares At 1 January 1994 or later date of appointment		Share option movements in year		
	Fully paid	Share options	Fully paid	Share options	Granted	Exercised	Lapsed
GA Cooper	9,028	119,870	15,028	95,932	22,295	-	-
BJ Sharples	6,085	62,559	6,085	62,559	4,029	-	-

In addition to the above movements, the numbers of share options have been adjusted to take account of rights issues in accordance with the rules of the respective schemes.

No director had any beneficial interest in the share or loan capital of any subsidiary of Tarmac PLC.

Insurance cover has been maintained on the officers of the company against liabilities in relation to the company.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

Approved by the board and signed on its behalf by:



JJ McCormack
Secretary

Construction House
Wolverhampton
WV1 4HY

6 April 1995

Tarmac Regional Construction Limited

Directors' responsibilities statement

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 and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Report of the auditors to the members of Tarmac Regional Construction Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 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 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 mis-statement, 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

6 April 1995

Tarmac Regional Construction Limited

Profit and loss account
for the year ended 31 December 1994

	<i>Note</i>	1994 £	1993 £
Turnover	<i>1</i>	11,024,000	-
Cost of sales		(8,590,000)	-
Gross profit		2,434,000	-
Administrative expenses		(24,000)	(2,600)
Profit/(loss) on ordinary activities before taxation	<i>2</i>	2,410,000	(2,600)
Tax on profit/(loss) on ordinary activities	<i>4</i>	(799,560)	2,882
Retained profit for the financial year		1,610,440	282
Retained profit brought forward		2,430,647	2,430,365
Retained profit carried forward		4,041,087	2,430,647

All turnover and operating profit arises from continuing activities.

The company has no recognised gains and losses in either the current or preceding year other than the profits for those years.

Tarmac Regional Construction Limited

Balance sheet at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	5		400,000		400,000
Investments	6		1,000		1,000
			<u>401,000</u>		<u>401,000</u>
Current assets					
Debtors					
- due within one year		1,692,744		1,023,048	
- due after more than one year		<u>17,828,007</u>		<u>13,549,319</u>	
	7	19,520,751		14,572,367	
Creditors: amounts falling due within one year	8	<u>(15,844,664)</u>		<u>(12,506,720)</u>	
Net current assets					
Due within one year		(14,151,920)		(11,483,672)	
Debtors due after one year		<u>17,828,007</u>		<u>13,549,319</u>	
Total net current assets			<u>3,676,087</u>		<u>2,065,647</u>
Net assets			<u>4,077,087</u>		<u>2,466,647</u>
Capital and reserves					
Called up share capital	10		36,000		36,000
Profit and loss account			<u>4,041,087</u>		<u>2,430,647</u>
Shareholders' funds	11		<u>4,077,087</u>		<u>2,466,647</u>

These financial statements were approved by the board of directors on 6 April 1995 and were signed on its behalf by:

BJ Sharples

GA Cooper
Directors

Tarmac Regional Construction Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The company has received confirmation of continuing financial support from its immediate parent undertaking.

Turnover

Turnover is stated exclusive of value added tax and represents the value of realisations made during the year and rental income.

Investment properties

Investment properties are included at valuation. In accordance with Statement of Standard Accounting Practice 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to an investment property revaluation reserve. Any deficit in excess of the aggregate revaluation reserve is traded through the profit and loss account.

Long term contracts

Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less foreseeable losses. Payments received on account of contracts are deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

2 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	1994 £	1993 £
Auditors' remuneration - audit work	2,500	2,100

Tarmac Regional Construction Limited

Notes (continued)

3 Directors' emoluments

The directors, who are the only employees of the company, have neither received nor waived any remuneration during the year (1993: £Nil).

4 Tax on profit/(loss) on ordinary activities

The taxation charge/(credit) based on the profit/(loss) on ordinary activities for the year comprises:

	1994 £	1993 £
UK corporation tax at 33% (1993: 33%)	806,500	-
Group relief receivable	-	(850)
Deferred tax	(6,930)	(2,032)
Adjustment in respect of previous years	(10)	-
	<u>799,560</u>	<u>(2,882)</u>

5 Tangible assets

	Freehold investment property £
At start of year and end of year	<u>400,000</u>

6 Investments

Shares in subsidiary undertaking at cost:

	£
Balance at beginning and end of year	<u>1,000</u>

The investment comprises 100% of the issued share capital of Sovereign Harbour Limited, a company incorporated in Great Britain and registered in England and Wales.

The company is exempt under section 228 Companies Act 1985 from the requirement to prepare group accounts and deliver them to the Registrar of Companies. The financial statements therefore present information about the undertaking as an individual undertaking and not about its group. The company is included within the consolidated financial statements of Tarmac PLC, the company's parent undertaking, which is incorporated in Great Britain and registered in England and Wales.

Tarmac Regional Construction Limited

Notes (continued)

7 Debtors

	1994 £	1993 £
Amounts falling due within one year:		
Trade debtors	462,326	870,236
Amounts owed by parent and fellow subsidiary undertakings	81,566	81,167
Group relief receivable	850	1,472
Prepayments and accrued income	19,261	-
Other debtors	1,128,741	70,173
	<u>1,692,744</u>	<u>1,023,048</u>
Amounts falling due after more than one year:		
Trade debtors	7,427,125	2,714,395
Amounts recoverable on contracts	10,400,882	10,834,924
	<u>19,520,751</u>	<u>14,572,367</u>

8 Creditors: amounts falling due within one year

	1994 £	1993 £
Trade creditors	63	31,674
Amounts owed to parent and fellow subsidiary undertakings	15,005,078	11,203,897
Corporation tax	806,468	-
Other taxes	-	1,271,149
Accruals and deferred income	33,055	-
	<u>15,844,664</u>	<u>12,506,720</u>

9 Deferred taxation

The amounts provided for deferred taxation are set out below:

	1994 £	1993 £
Other timing differences	(6,930)	-

The deferred tax asset is included within other debtors in the balance sheet.

There is no unprovided deferred taxation.

Tarmac Regional Construction Limited

Notes (continued)

10 Share capital

	1994	1993
	£	£
<i>Authorised:</i>		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called up and fully paid:</i>		
36,000 ordinary shares of £1 each	<u>36,000</u>	<u>36,000</u>

11 Reconciliation of movements in shareholders' funds

	1994	1993
	£	£
Profit for the year	1,610,440	282
Shareholders' funds at beginning of year	<u>2,466,647</u>	<u>2,466,365</u>
Shareholders' funds at end of year	<u>4,077,087</u>	<u>2,466,647</u>

12 Contingent liabilities

The company has entered into a number of performance bonds as part of its ongoing development business.

13 Holding companies

The company's immediate holding company is Tarmac Construction Limited, whilst the company's ultimate holding company is Tarmac PLC, both of which are incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Tarmac PLC are available from Construction House, Birch Street, Wolverhampton, WV1 4HY.