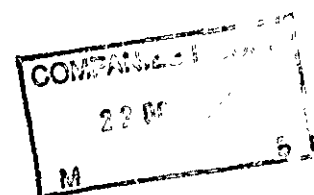


**SOVEREIGN HARBOUR LIMITED**  
(formerly Crumbles Harbour Village Limited)

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31st DECEMBER 1991**

(Registered in England, Number 2217605)



**SOVEREIGN HARBOUR LIMITED****DIRECTORS' REPORT**

The directors present their annual report and the audited accounts for the year ended 31st December 1991.

**Business review**

The company has not traded during the year ended 31st December 1991, nor subsequently.

The company changed its name from Crumbles Harbour Village Limited to Sovereign Harbour Limited on 22nd November 1991.

**Directors and directors' interests**

The directors serving during the year were:

B. Pellard  
N.I. Simms  
E.J. Reilly  
G.A. Cooper  
B.G. Williams (resigned 25th March 1991)

The interest of the directors (other than where disclosed in the accounts of the holding or ultimate holding company) in the share or loan capital of Tarmac PLC were as follows:

	Number of 50p ordinary shares			
	At 31st December 1991		At 1st January 1991	
	Fully paid	Share options	Fully paid	Share options
E.J. Reilly	-	9,276	-	4,647
G.A. Cooper	12,023	73,024	15,323	70,015

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

B.L. Staples was appointed a director of the company and N.I. Simms resigned as a director of the company on 1st April 1992.



SOVEREIGN HARBOUR LIMITED

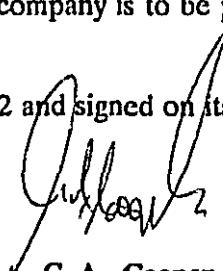
DIRECTORS' REPORT

(continued)

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming annual general meeting.

Approved by the Board on 8th April 1992 and signed on its behalf by:

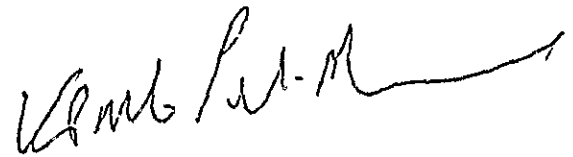


G.A. Cooper  
Secretary

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF  
SOVEREIGN HARBOUR LIMITED

We have audited the accounts on pages 4 to 5 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1991 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Birmingham

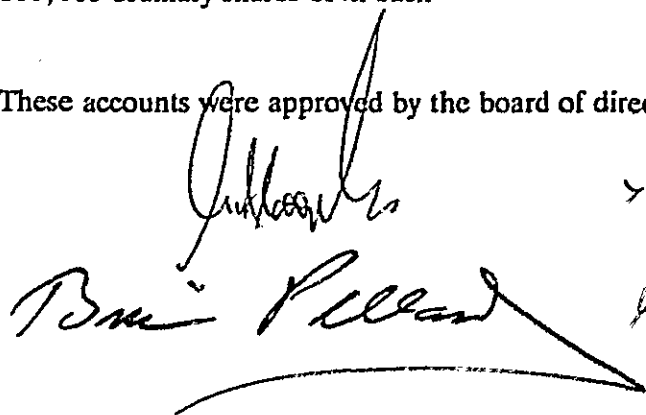
8th April 1992

Chartered Accountants  
Registered Auditor

**SOVEREIGN HARBOUR LIMITED****BALANCE SHEET****AT 31st DECEMBER 1991**

	Note	1991 £	1990 £
<b>Fixed assets</b>			
Investments	3	<u>100,000</u>	<u>100,000</u>
<b>Capital and reserves</b>			
Share capital:			
Authorised:			
1,000,000 ordinary shares of £1 each		<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:			
100,000 ordinary shares of £1 each		<u>100,000</u>	<u>100,000</u>

These accounts were approved by the board of directors on 8th April 1992 and signed on its behalf by:



G.A. Cooper )  
 ) Directors  
 B. Pellard )

**SOVEREIGN HARBOUR LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31st DECEMBER 1991****1. Profit and loss account**

During the current and preceding year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

**2. The directors have neither received nor waived any remuneration.****3. Investment**

The investment consists of the entire issued share capital of Eastbourne Harbour Company Limited.

**4. 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.

Copies of the group accounts of both companies are available from Construction House, Wolverhampton, WV1 4HY.