

SOVEREIGN HARBOUR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

(Registered in England, Number 2217605)



SOVEREIGN HARBOUR LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements for the year ended 31 December 1997.

Business review

The company has not traded during the year ended 31 December 1997, nor subsequently.

Directors and directors' interests

The directors serving during the year were :

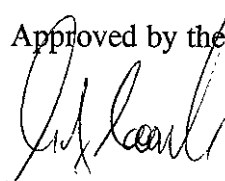
B Pellard
G A Cooper
B J Sharples

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

	Number of 50p ordinary shares				Share option movements		
	At 31/12/97		At 01/01/97		in year		
	Fully paid	Share options	Fully paid	Share options	granted	exercised	lapsed
GA Cooper	9,028	129,096	9,028	136,576	3,997	-	11,477

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

Approved by the Board on 20 March 1998 and signed on its behalf by :



G A Cooper
Secretary

Construction House
Wolverhampton
WV1 4HY

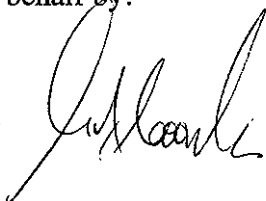
SOVEREIGN HARBOUR LIMITED**BALANCE SHEET****AT 31 DECEMBER 1997**

	Note	1997 £	1996 £
Fixed assets			
Investments	3	<u>100,000</u>	<u>100,000</u>
Capital and reserves			
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>

The company was dormant throughout the year ended 31 December 1997.

These financial statements were approved by the board of directors on 20 March 1998 and signed on its behalf by:

G A Cooper
Director



B J Sharples
Director



SOVEREIGN HARBOUR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

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. Directors' emoluments

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 and registered in England and Wales.

Copies of both the financial statements of Tarmac Construction Limited and the group financial statements of Tarmac PLC are available from Construction House, Wolverhampton, WV1 4HY.