

**Touche
Ross**

Deloitte Touche
Johannesburg
International



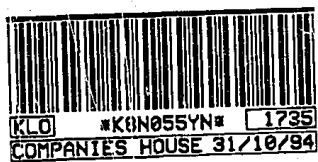
Company Registration No.2306348

TARMAC CLAYFORM LIMITED

Report and Financial Statements

31 December 1993

**Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1993

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REPORT AND FINANCIAL STATEMENTS 1993

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T H Mason
C M H Kemp
A E Bodie
B B Cheer

SECRETARY

S A Lanes

REGISTERED OFFICE

2 South Audley Street
Mayfair
London W1Y 6AJ

BANKERS

Barclays Bank PLC
1 Pall Mall East
London SW1Y 5AX

SOLICITORS

Linklaters & Paines
59-67 Gresham Street
London EC2V 7JA

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1993.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The principal activity of the company is that of property development. The company, which is a joint venture between Development Securities PLC (formerly Clayform Properties PLC) and John McLean & Associates Limited (a Tarmac plc subsidiary), owns a site at Stokenchurch, Buckinghamshire. The company has continued to incur interest and other costs which have been offset against prior year provisions. Due to adverse market conditions, no development of the site was undertaken during the year.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (1992: £Nil).

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were as follows:

T H Mason

C M H Kemp

A E Bodie (appointed 28 June 1993)

B B Cheer (appointed 21 May 1993)

B S P Dowling (resigned 21 May 1993)

R T E Ware (resigned 15 November 1993)

No director had any interest in the shares of the company during the year.

AUDITORS

KPMG Peat Marwick resigned as auditors on 31 January 1994 and were replaced by Touche Ross & Co. who have signified their willingness to continue in office. Their reappointment will be proposed at the forthcoming Annual General Meeting as Special Business, the company having received special notice of the intention to propose an ordinary resolution reappointing them as auditors.

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

B B Cheer
A E Bodie

Director

27th October 1994



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 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 a 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. 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.

Touche Ross



Chartered Accountants

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

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TARMAC CLAYFORM LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

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 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 1993 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

31 October 1994

**Deloitte Touche
Tohmatsu
International**

Aberdeen, Bath, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff, Coleraine, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton.

Principal place of business at which a list of partners' names is available:
Peteborough Court, 133 Fleet Street, London EC4A 2TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1993

	Note	1993 £	1992 £
Provision against development in progress	2	-	(4,211,244)
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	3	-	(4,211,244)
Retained loss brought forward		(7,193,579)	(2,982,335)
Retained loss carried forward		(7,193,579)	(7,193,579)

All activities derive from continuing operations.

There are no recognised gains or losses or movements in shareholders' funds for the current and preceding financial years other than as stated above.

BALANCE SHEET
31 December 1993

	Note	1993 £	1992 £
CURRENT ASSETS			
Development in progress		1,500,000	1,500,000
Debtors	4	175	942
Cash at bank and in hand		2,586	244
		<u>1,502,761</u>	<u>1,501,186</u>
CREDITORS: amounts falling due within one year			
	5	<u>(8,338,346)</u>	<u>(7,932,665)</u>
NET CURRENT LIABILITIES			
		<u>(6,835,585)</u>	<u>(6,431,479)</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
	6	<u>(357,894)</u>	<u>(762,000)</u>
		<u>(7,193,479)</u>	<u>(7,193,479)</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account		<u>(7,193,579)</u>	<u>(7,193,579)</u>
		<u>(7,193,479)</u>	<u>(7,193,479)</u>

These financial statements were approved by the Board of Directors on 27 October 1994.

Signed on behalf of the Board of Directors

B B Cheer
A E Bodie

Director



C M H Kemp
Director



NOTES TO THE ACCOUNTS
Year ended 31 December 1993

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention on a going concern basis, due to the intention of Development Securities PLC and John McLean & Associates Limited to continue to support the company.

Developments in progress

No profit on long-term developments is recognised until the development is substantially complete and profit is recognised only where the outcome of the development can be determined with reasonable certainty. Full provision is made for foreseeable losses as soon as such losses are identified. Developments in progress are valued at the lower of cost and estimated net realisable value.

2. PROVISION AGAINST DEVELOPMENT IN PROGRESS

During 1992 all expenditure was directly related to the company's development property and was capitalised into the development in progress. Finance charges of £Nil (1992: £1,289,544) together with an additional write-down of the development in progress of £Nil (1992: £2,971,700) were charged to the profit and loss account.

3. LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

None of the directors received any emoluments from the company during the year ended 31 December 1993 (1992: £Nil).

The auditors' remuneration for the year ended 31 December 1993 has been borne by Development Securities PLC.

4. DEBTORS

	1993 £	1992 £
Other debtors	175	942

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Bank loans and overdrafts	2,500,000	5,000,000
Amounts owed to associated undertakings	5,821,771	2,932,665
Accruals	16,575	-
	<u>8,338,346</u>	<u>7,932,665</u>

The bank loan is secured on the property owned by the company.

NOTES TO THE ACCOUNTS
Year ended 31 December 1993

6. PROVISIONS FOR LIABILITIES AND CHARGES

	1993 £
At 1 January 1993	762,000
Utilised in year	(404,106)
At 31 December 1993	<u>357,894</u>

Provisions represent future interest payments and property costs.

7. CALLED UP SHARE CAPITAL

	1993 £	1992 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. ASSOCIATED UNDERTAKINGS

The company's share capital is held equally by Development Securities PLC and John McLean & Associates Limited.