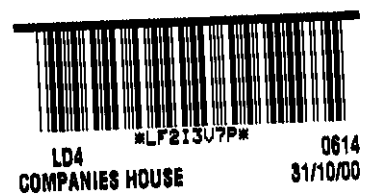


Company Registration No: 2306348

TARMAC CLAYFORM LIMITED

Report and Financial Statements

31 December 1999



REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

L J Mills
Tarmac Nominees Limited
M H Marx

SECRETARY

S A Lanes

REGISTERED OFFICE

Portland House
Stag Place
London SW1E 5DS

BANKERS

Barclays Bank PLC
50 Pall Mall
London SW1A 1QB

SOLICITORS

Linklaters
1 Silk Street
London EC2Y 8HQ

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 1999.

PRINCIPAL ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal activity of the company at present and for the foreseeable future is that of property development. The company, which is a joint venture between Development Securities PLC and Tarmac Properties (JMA) Limited (a Tarmac PLC subsidiary) owned a site at Stokenchurch, Buckinghamshire. The company continued to incur costs during the year in respect of the development that have been written off to the profit and loss account. Subsequent to the year end, the development site was disposed of for a sum in excess of book value.

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 (1998: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

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

L J Mills
C M H Kemp
M H Marx
N S Corderey

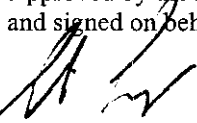
C M H Kemp resigned as a director on 28 July 2000 and N S Corderey on 29 September 2000. Tarmac Nominees Limited was appointed as a director on 28 July 2000.

None of the directors had any interests in the shares of the company during the year.

AUDITORS

A resolution concerning the reappointment of Deloitte & Touche is to be proposed at the forthcoming Annual General Meeting.

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



S A Lanes
Secretary

26 October 2000

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 its profit or loss for that year. 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; and
- 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 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 TARMAC CLAYFORM LIMITED

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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

26 October 2000

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1999

	Note	1999 £	1998 £
Administrative expenses		<u>(6,830)</u>	<u>(7,199)</u>
OPERATING LOSS		(6,830)	(7,199)
INTEREST PAYABLE AND SIMILAR CHARGES	2	<u>(10)</u>	<u>(175,386)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	3	(6,840)	(182,585)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>(7,807,671)</u>	<u>(7,625,086)</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u><u>(7,814,511)</u></u>	<u><u>(7,807,671)</u></u>

All operating losses derive from continuing operations.

There are no recognised gains or losses or movements in shareholders' funds during the current and preceding financial year other than as stated in the profit and loss account.

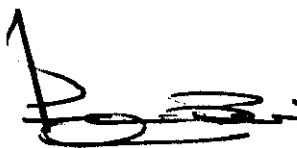
BALANCE SHEET
31 December 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Land, developments and trading properties	1	1,500,000	1,500,000
Debtors	4	2,539	9,308
Cash at bank and in hand		<u>4,407</u>	<u>1,935</u>
		1,506,946	1,511,243
CREDITORS: amounts falling due within one year			
	5	<u>(9,321,357)</u>	<u>(9,318,814)</u>
NET CURRENT LIABILITIES		<u><u>(7,814,411)</u></u>	<u><u>(7,807,571)</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account - deficit		<u>(7,814,511)</u>	<u>(7,807,671)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u><u>(7,814,411)</u></u>	<u><u>(7,807,571)</u></u>

These financial statements were approved by the Board of Directors on *26 October 2000*

Signed on behalf of the Board of Directors


M H Marx
Director


Tarmac Nominees Limited
Director

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention on the going concern basis, due to the intention of Development Securities PLC and Tarmac Properties (JMA) Limited to continue to support the company such that it can meet its liabilities as they fall due for the next twelve months.

Land, developments and trading properties

Land, developments and trading properties in progress are valued at the lower of cost and estimated net realisable value.

2 INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Overdraft interest	10	-
Bank loan interest	<u>-</u>	<u>175,386</u>
	<u>10</u>	<u>175,386</u>

3 LOSS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

None of the directors received any emoluments from the company during the year (1998: £nil).

The auditors' remuneration for the current and preceding financial year has been borne by Development Securities PLC.

The company does not have any employees (1998: nil).

There is no tax credit on current year losses as such losses are surrendered to associated companies for nil consideration.

4 DEBTORS

	1999 £	1998 £
Tax recoverable	91	1,470
Other debtors	<u>2,448</u>	<u>7,838</u>
	<u>2,539</u>	<u>9,308</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 1999

5 CREDITORS: amounts falling due within one year

	1999 £	1998 £
Amounts owed to Development Securities PLC	4,189,258	4,186,715
Amounts owed to Tarmac Properties (JMA) Limited	<u>5,132,099</u>	<u>5,132,099</u>
	<u>9,321,357</u>	<u>9,318,814</u>

There are no fixed terms for the repayment of the amounts owed to Development Securities PLC and Tarmac Properties (JMA) Limited.

6 CALLED UP SHARE CAPITAL

	1999 £	1998 £
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>

7 RELATED PARTY DISCLOSURE

The company's share capital is held equally by Development Securities PLC and Tarmac Properties (JMA) Limited. Both companies are incorporated in the United Kingdom and registered in England and Wales. In accordance with Financial Reporting Standard No. 8, "Related Party Disclosures," the balances due to or from these related parties are disclosed in the notes to the accounts.

8 POST BALANCE SHEET EVENT

Subsequent to the year end, the company disposed of its development property to a third party for a sum in excess of book value.