

HALL AGGREGATES (EASTERN COUNTIES) LIMITED

REPORT AND ACCOUNTS

31st DECEMBER 1996



HALL AGGREGATES (EASTERN COUNTIES) LIMITED

DIRECTORS' REPORT

31st December 1996

The directors submit their annual report, together with the accounts of the company for the year ended 31st December 1996.

Activity

The Company has not traded during the course of the year.

Dividend

On 2nd July 1996, a sum of £55,416 standing to the credit of the Capital Reserve was transferred to the Profit and Loss Account of the company and the directors paid an interim dividend of £55,416 on 19th July 1996.

Directors and their interests

The directors who served during the year are as shown below.

D W Jenkins		P H F Bullard (Resigned 28 June 1996)
N N Kalia	(Appointed 2 September 1996)	
D Llewellyn	(Appointed 28 June 1996: Died 24 August 1996)	

The directors had no interests in the share capital of the company.

Mr D W Jenkins is also a director of the company's ultimate parent company, RMC Group p.l.c., and his interests are disclosed in that company's accounts.

The interests of Mr N N Kalia and his family in the share capital of the company's ultimate parent company, RMC Group p.l.c., are set out below in accordance with the register of directors' interests maintained under Section 325 of the Companies Act 1985.

Director	At the date of appointment				At 31st December 1996			
	Ordinary Shares	Savings Related Options	Executive Scheme Options	Long Term Incentive Plan	Ordinary Shares	Savings Related Options	Executive Scheme Options	Long Term Incentive Plan
N N Kalia	4567	7019	2068	800	3967	7019	4722	800

According to the register of directors' interests maintained under the Companies Act 1985, no rights to subscribe for shares in or debentures of the company or the company's ultimate parent company RMC Group p.l.c. were granted to the above director or his immediate family or exercised by him, since the date of his appointment, except as indicated below.

Director	Company	Number of Ordinary Shares		
		Options Granted	Options Exercised	Long Term Incentive Plan
N N Kalia	RMC Group p.l.c.	2654	Nil	Nil

No options lapsed during the year.

Mr N N Kalia had no interests in the shares or debenture stocks of any other subsidiary of the ultimate parent company.

No directors were interested in contracts with the company.

Share Option Schemes :

Savings Related Options were granted on 28th November 1989 at a price of 493p per share and on 30th October 1992 at a price of 313p per share (adjusted to 476.76p per share and 302.71p per share respectively following the Rights Issue on 27th September 1995) under the RMC Group Savings Related Share Option Scheme 1984 approved by the shareholders of RMC Group p.l.c. on 17th December 1984.

DIRECTORS' REPORT**31st December 1996**

(Continued)

Directors and their interests - continued

On 8th November 1995, further options were granted at a price of 852p per share under the RMC Group Savings Related Share Option Scheme 1995 approved by the shareholders of RMC Group p.l.c. on 18th January 1995. These options may normally be exercised in accordance with the individual S.A.Y.E. Contracts at the end of a period of five or seven years from the date of grant. The options granted in 1995 are for a five year period only. No additional options were granted during the year.

Executive Scheme Options were granted on 1st May 1990 at a price of 596p per share (adjusted to 576.39p per share following the Rights Issue on 27th September 1995) under the RMC Group Executive Share Option Scheme 1984 which was also approved by the shareholders of RMC Group p.l.c. on 17th December 1984. No payment was made on the granting of these options. Under the terms of the Scheme these options are exercisable after three years and before ten years of the date of grant. There is no Performance Condition attached to the options granted prior to 1996.

On 29th October 1996, options were granted at a price of 1130p per share under the RMC Group Executive Share Option Scheme 1995 approved by the shareholders of RMC Group p.l.c. on 18th January 1995. No payment was made on the granting of these options. In accordance with the terms of the Scheme these options will be exercisable after three years and before ten years of the date of grant subject to the satisfaction of a Performance Condition.

Long Term Incentive Plan :

Awards were made on 17th July 1996 consisting of a grant of a free option over ordinary shares of RMC Group p.l.c. under the RMC Group Long Term Incentive Plan approved by the shareholders of RMC Group p.l.c. on 31st May 1996. They will be determined in accordance with the extent to which the Performance Condition has been met after a three year cycle commencing on 1st January 1996.

Directors' Responsibilities

The directors are required by the Companies Act 1985 to prepare accounts 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 the financial year.

In preparing the accounts the directors are required to select appropriate accounting policies and to apply them consistently, to make reasonable and prudent judgements and estimates, and to state whether accounting standards which they consider to be applicable have been followed, save as disclosed in the notes to the accounts. The directors are also required to prepare the accounts on the going concern basis unless it is inappropriate to do so.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have 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.

HALL AGGREGATES (EASTERN COUNTIES) LIMITED

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DIRECTORS' REPORT

31st December 1996

(Continued)

Auditors

The company had taken advantage of Section 250 of the Companies Act 1985 (as amended by Section 14 of the Companies Act 1989) and no auditors had been appointed.

Messrs. Kidsons Impey have been appointed as auditors for the year ended 31st December 1996.

Under the provisions of Section 250 of the Companies Act 1985 (as inserted by Section 14 of the Companies Act 1989), a Special Resolution will be proposed at an Extraordinary General Meeting to exclude Section 384(1) of the Companies Act 1985, in respect of the appointment of the auditors of the company

Registered Office:

RMC House
Coldharbour Lane
Thorpe,
Egham,
Surrey

By order of the Board



N.N. Kalia
Director and Secretary

7th March 1997

AUDITORS' REPORT

Auditors' Report to the Members of

HALL AGGREGATES (EASTERN COUNTIES) LIMITED

We have audited the accounts on pages 5 to 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1996 and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey
Chartered Accountants and
Registered Auditors

London, 7th March 1997

HALL AGGREGATES (EASTERN COUNTIES) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1996

	Note	1996 £	1995 £
Retained profit at 1st January		-	-
Transfer from Capital Reserve	4	55,416	-
Less dividend paid		(55,416)	-
Retained profit at 31st December		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

The company did not trade in 1995 or 1996 and made no recognised gains or losses during either year other than those shown above.

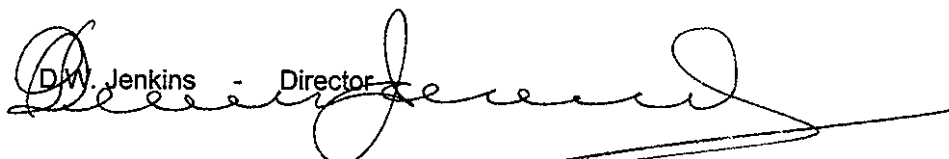
HALL AGGREGATES (EASTERN COUNTIES) LIMITED

BALANCE SHEET

at 31st December 1996

	Notes	1996 £	1995 £
EMPLOYMENT OF CAPITAL			
Debtor due after more than one year			
Loan to Parent Company		14,175	69,591
		<u>14,175</u>	<u>69,591</u>
CAPITAL AND RESERVES			
Called up equity share capital	3	14,175	14,175
Capital Reserve	4	-	55,416
Equity shareholders' funds		<u>14,175</u>	<u>69,591</u>

Approved by the Directors on 7th March 1997

 D.W. Jenkins - Director

The notes on page 7 form part of these accounts.

The report of the auditors is set out on page 4.

HALL AGGREGATES (EASTERN COUNTIES) LIMITED
NOTES TO THE ACCOUNTS
31st December 1996

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1. Principal Accounting Policies

The accounts are prepared in accordance with applicable accounting standards which have been applied consistently.

2. Basis of accounting - Accounting Convention

The accounts are prepared using the historical cost convention.

3. Called Up Equity Share Capital

	Allotted, Issued and Fully Paid £	Authorised £
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Ordinary Shares of £1 each	14,175	20,000
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4. Capital Reserve

	1996 £	1995 £
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At 1st January	55,416	55,416
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Transfer to Profit and Loss Account	(55,416)	-
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At 31st December	-	55,416
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5. Reconciliation of Movement in Shareholders' Funds

	1996 £	1995 £
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At 1st January	69,591	69,591
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Dividend Paid	(55,416)	-
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At 31st December	14,175	69,591
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6. Cash Flow Statement

As the company is a wholly owned subsidiary undertaking of RMC Group p.l.c., its controlling and ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No. 1 from preparing a cash flow statement.

7. Related Parties

As the company is a wholly owned subsidiary undertaking of RMC Group p.l.c., its controlling and ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No. 8 from disclosing transactions with entities that are part of the RMC Group or investees of the RMC Group qualifying as related parties.

8. Contingent Liabilities

The company has entered into a joint and several guarantee with certain group companies in respect of the bank overdraft of RMC Group p.l.c. which at 31st December 1996 amounted to £Nil (1995 - £Nil).

The company is registered with H.M. Customs & Excise as a member of the RMC Group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

9. Ultimate Parent Company

The company's ultimate parent company is RMC Group p.l.c., which is registered in Great Britain.

The RMC Group is the largest group of undertakings for which group accounts are drawn up and of which this company is a member. The group accounts of RMC Group p.l.c. can be obtained from the registered office of the company.