

RMC AGGREGATES (EASTERN) LIMITED

REPORT AND ACCOUNTS

31st December 1998



RMC AGGREGATES (EASTERN) LIMITED

DIRECTORS' REPORT

31st December 1998

The directors submit their annual report, together with the accounts of the company for the year ended 31st December 1998.

Review of Activity

The company's principal activity is the winning of aggregates as an agent of RMC Rombus Materials Limited (formerly Rombus Materials Limited) which indemnifies the company against all losses and liabilities it may incur in pursuing that activity as agent.

Interests in land

All the company's interests in land are held in trust on behalf of RMC Rombus Materials Limited.

Directors and their interests

The directors who served during and since the end of the year are as shown below :

D.G. Brook (Appointed 5.1.98)	R.E. Lambourne (Resigned 5.1.98)
P.J. Hutchins (Appointed 5.1.98)	M.D. Hampson (Resigned 5.1.98)
D.S. Neave (Appointed 5.1.98)	N.N. Kalia (Resigned 5.1.98)
D.R. Swinson (Appointed 5.1.98)	

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

Mr. D.R. Swinson 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 the other directors and their families 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 1998			
	Ordinary Shares	Savings Related Options	Executive Scheme Options	Long Term Incentive Plan	Ordinary Shares	Savings Related Options	Executive Scheme Options	Long Term Incentive Plan
D.G. Brook	1,322	1,121	2,654	1,800	722	1,177	2,654	4,200
P.J. Hutchins	3,592	1,580	2,654	3,800	3,592	1,374	2,654	7,300
D.S. Neave	20,737	9,294	2,654	7,500	20,737	9,647	2,654	13,700

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 any of the directors or their immediate families or exercised by them, since the date of appointment except as indicated below :

Director	Company	Number of Ordinary Shares			
		Options Granted	Options Exercised	Options Lapsed/ Cancelled	Long Term Incentive Plan
D.G. Brooks	RMC Group p.l.c	663	Nil	607	2,400
P.J. Hutchins	RMC Group p.l.c	603	Nil	809	3,500
D.S. Neave	RMC Group p.l.c	2,628	Nil	2,275	6,200

RMC AGGREGATES (EASTERN) LIMITED**DIRECTORS' REPORT****31st December 1998****(Continued)**

No directors had any 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 30th October 1992 at a price of 313p per share (adjusted to 302.71p per share 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.

Further options were granted at a price of 852p per share on 8th November 1995, at a price of 758p per share on 6th November 1997 and at a price of 642p per share on 25th November 1998 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 three, five or seven years from the date of grant. The options granted in 1992 are for five and seven years, in 1995 for a five year period only and in 1997 and 1998 for three and five year periods.

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. No additional options were granted during the year.

Long Term Incentive Plan :

Awards have been made 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 are determined in accordance with the extent to which the Performance Condition has been met after a three year cycle. No awards were determined during the year.

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.

RMC AGGREGATES (EASTERN) LIMITED**DIRECTORS' REPORT**

31st December 1998
(Continued)

Year 2000 compliance

Details relating to this subject are included in the accounts of RMC Rombus Materials Limited of which this company is an agent.

Auditors

The company has elected to dispense with the requirement to appoint auditors annually under the provisions of Section 379A of the Companies Act 1985 and, in the absence of a notice proposing that the appointment be terminated, the auditors will be deemed to be re-appointed for the next financial year.

By Order of the Board



N N Kalia
Secretary

Registered Office:
RMC House
Coldharbour Lane
Thorpe Egham
Surrey

18th February 1999

RMC AGGREGATES (EASTERN) LIMITED**AUDITORS' REPORT****Auditors' report to the members of RMC AGGREGATES (EASTERN) LIMITED**

We have audited the accounts on pages 5 and 6.

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 1998 and have been properly prepared in accordance with the Companies Act 1985.



Kidsons Impey
Chartered Accountants and
Registered Auditors

London, 18th February 1999

RMC AGGREGATES (EASTERN) LIMITED

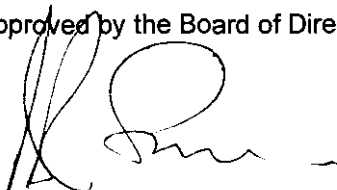
BALANCE SHEET

at 31st December 1998

	Note	1998 £	1997 £
Debtor due in more than one year:-			
Loan to RMC Group p.l.c.		<u>13,750</u>	<u>13,750</u>
Capital and reserves			
Called up Equity Share Capital :	3	<u>13,750</u>	<u>13,750</u>

There are no recognised gains or losses for the years ended 31st December 1998 and 31st December 1997.

Approved by the Board of Directors on 18th February 1999.



D.R. Swinson - Director

The notes on page 6 form part of these accounts.

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

RMC AGGREGATES (EASTERN) LIMITED**NOTES TO THE ACCOUNTS****31st December 1998****1. Profit and loss account**

A profit and loss account has not been prepared for the year ended 31st December 1998 as the company has not traded during the year. It has made neither profits nor losses and all expenses incurred by the company including the remuneration of auditors, have been borne by RMC Rombus Materials Limited.

2. Employees costs**Staff costs**

The company is party to employment contracts. Costs under these contracts are borne by the company's principal, RMC Rombus Materials Limited, and disclosure of these costs and the average number of employees are included within that company's accounts.

Directors' emoluments

No remuneration was paid to the Chairman or the directors of the company for their services to the company as directors.

3. Called up Share Capital

	1998 £	1997 £
Authorised share capital	<u>16,000</u>	<u>16,000</u>
Share capital allotted, called up and fully paid		
13,750 ordinary shares of £1 each	<u>13,750</u>	<u>13,750</u>

4. Contingent Liabilities

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 valued added tax liabilities.

5. 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.

6. 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.