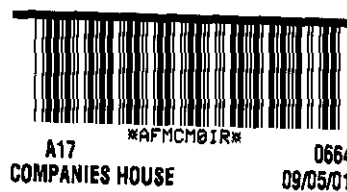


COMPANY NUMBER: 889829

RMC AGGREGATES (EASTERN) LIMITED

REPORT AND ACCOUNTS

31st December 2000



RMC AGGREGATES (EASTERN) LIMITED

DIRECTORS' REPORT

31st December 2000

The directors present their report and the financial statements for the year ended 31st December 2000.

Activity

The company's principal activity is the winning of aggregates as agent for and on behalf of RMC (UK) Ltd 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 (UK) Ltd.

Directors

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

D G Brook
P J Hutchins
D S Neave
J A Robinson (appointed 30th June 2000)
D R Swinson (resigned 30th June 2000)

The directors and their interests in the ordinary shares of RMC Group p.l.c. are;

	Fully Paid Shares			Options to Purchase Shares			Long Term Incentive Plan				
	31 Dec 2000	31 Dec 1999 or Date of Appointment	31 Dec 2000	Granted During Year	Exercised During Year	Lapsed During Year	31 Dec 1999 or Date of Appointment	31 Dec 2000	Award During Year	Lapsed During Year	31 Dec 1999 or Date of Appointment
D G Brook	372	372	10,940	7,109	Nil	358	4,189	4,800	Nil	1,000	5,800
P J Hutchins	3,000	Nil	15,413	11,988	Nil	603	4,028	7,000	Nil	2,000	9,000
D S Neave	22,703	17,374	6,118	3,464	7,019	2,628	12,301	26,400	14,000	4,000	16,400
J A Robinson	25,129	25,129	6,118	3,464	Nil	2,628	5,282	26,400	Nil	Nil	26,400

None of the directors had any material interest in any contract or arrangement subsisting during the year with the company.

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 2000

Statutory Dispensation

The company has in force, under section 379A of the Companies Act 1985 an election dispensing with the laying of accounts and reports before the company in General Meeting, the holding of an Annual General Meeting and the obligation to appoint auditors annually.

Approved by the Board on 9 march 2001
and signed on its behalf by



Secretary

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

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

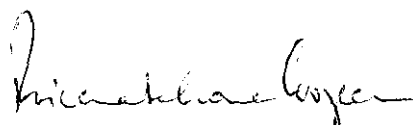
Basis of audit opinion

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 at 31st December 2000 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

9 March 2001

RMC AGGREGATES (EASTERN) LIMITED

BALANCE SHEET

at 31st December 2000

Employment of capital	Note	2000 £	1999 £
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 :	5	<u>13,750</u>	<u>13,750</u>

There are no recognised gains or losses for the years ended 31st December 2000 and 31st December 1999.

Approved by the Board of Directors on 9 March 2001.



J.A. Robinson - Director

The notes on pages 5 and 6 and form part of these accounts.

The report of the auditors is set out on page 3.

RMC AGGREGATES (EASTERN) LIMITED

NOTES TO THE ACCOUNTS

31st December 2000

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. Profit and loss account

A profit and loss account has not been prepared for the year ended 31st December 2000 as the company has not traded on its own account 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 (UK) Limited.

4. Employee costs**Staff costs**

The company is party to employment contracts. Costs under these contracts are borne by the company's principal, RMC (UK) 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 directors of the company for their services to the company as directors.

5. Called up share capital

	2000 £	1999 £
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>

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 (revised) 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.

RMC AGGREGATES (EASTERN) LIMITED**NOTES TO THE ACCOUNTS****31st December 2000****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 2000 amounted to £Nil (1999: £13,642,000).

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. Copies of the ultimate parent company's group accounts are available from its registered office at RMC House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.