

COMPANY NUMBER: 1009396

GREAT MILLS (CENTRAL) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31st December 1997



GREAT MILLS (CENTRAL) LIMITED

DIRECTORS' REPORT

31st December 1997

The directors submit their annual report, together with the accounts of the company for the year ended 31st December 1997.

Activity

The company has not traded during the year.

Interests in land

The company has no interest in land.

Directors and their interests

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

M D Hampson	(Appointed 30.5.97)
D W Jenkins	(Resigned 30.5.97)
N N Kalia	
R E Lambourne	(Appointed 30.5.97)

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

Mr R E Lambourne 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 1 January 1997 or at the date of appointment				At 31 December 1997			
	Ordinary Shares	Savings Related Options	Exec Scheme Options	Long Term Incentive Plan	Ordinary Shares	Savings Related Options	Exec Scheme Options	Long Term Incentive Plan
M D Hampson	Nil	Nil	Nil	4000	Nil	Nil	Nil	4000
N N Kalia	3967	7019	4722	800	3967	9294	4722	1800

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, during the financial year or since the date of appointment except as indicated below :

Director	Company	Number of Ordinary Shares			Long Term Incentive Plan
		Options Granted	Options Exercised	Options Lapsed	
N N Kalia	RMC Group p.l.c.	2275	Nil	Nil	1000

GREAT MILLS (CENTRAL) LIMITED**DIRECTORS' REPORT****31st December 1997**

(Continued)

No directors had any interests in the shares or debenture stocks of any other subsidiary of the ultimate parent company other than Mr R E Lambourne who is also a director of the company's ultimate holding company RMC Group p.l.c.

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.

Further options were granted at a price of 852p per share on 8th November 1995 and at a price of 758p per share on 6th November 1997 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 are for a five year period only and in 1997 for three and five year periods.

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. No additional options were granted during the year.

Long Term Incentive Plan :

Awards were made on 17th July 1996 and 21st May 1997 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 and 1st January 1997 respectively.

GREAT MILLS (CENTRAL) LIMITED**DIRECTORS' REPORT****31st December 1997**

(Continued)

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.

Auditors

The Company is a dormant company and 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.

By Order of the Board



N N Kalia
Director and Secretary

Registered Office:
RMC House
Coldharbour Lane
Thorpe
Egham
Surrey

20 March 1998

GREAT MILLS (CENTRAL) LIMITED**REPORT OF THE AUDITORS****Report of the auditors to the members of Great Mills (Central) Limited**

We have audited the accounts on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 3 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.

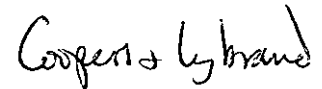
Basis of opinion

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 financial statements give a true and fair view of the state of the company's affairs at 31st December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and
Registered Auditors

~~March~~ 1998

16 April

GREAT MILLS (CENTRAL) LIMITED

BALANCE SHEET

at 31st December 1997

	Note	1997 £	1996 £
Current assets			
Debtors: amounts falling due after one year :			
Loan to ultimate parent Company	4	<u>110,000</u>	<u>110,000</u>
Capital and reserves			
Called up equity share capital	5	<u>110,000</u>	<u>110,000</u>

There are no recognised gains or losses for the year ended 31st December 1997 or 31st December 1996.

Approved by the Board of Directors on ²⁰ March 1998.



M D Hampson - Director

The notes on page 6 form part of these accounts.

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

GREAT MILLS (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 1997

1 **Profit and Loss Account**

A profit and loss account has not been prepared for the year ended 31st December 1997 as the company has not traded during the year.

2 **Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards.

3 **Directors' emoluments**

No remuneration was paid to the Chairman or the directors of the company for their services to the company as directors during 1996 or 1997.

4 **Loan to ultimate parent company**

The loan to the ultimate parent company is unsecured, free of interest and repayable after more than one year.

5 **Called up equity share capital**

	1997 and 1996	
	Authorised	Allotted, issued and fully paid
	£	£
Ordinary shares of £1 each	<u>500,000</u>	<u>110,000</u>

6 **Contingent liabilities**

At 31st December 1996 the company had entered into a joint and several guarantee with certain other group companies in respect of the bank overdraft of RMC Group p.l.c. The company was released from the guarantee in 1997.

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.

7 **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 the registered office of the company.