

WA Investments Limited

Director's report and financial statements

31 December 1996

Registered number 1577583



WA Investments Limited

Directors' report and financial statements

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WA Investments Limited

Director's report

The director presents the annual report and the audited financial statements for the year ended 31 December 1996.

On 1 March 1996 the company's parent company was sold to Tarmac PLC.

Principal activities

The principal activity of the company is the holding of investments.

Results and dividends

The company did not trade during the year. A provision has been made against the value of subsidiary undertakings during the year giving rise to a loss of £915,332 during the year (1995: £Nil). The company does not propose to pay a dividend.

Creditor payment policy

The company does not adopt any specific code or standard, however, it is the company's policy to pay its suppliers in accordance with the terms and conditions agreed prior to the commencement of trading provided that the supplier has met its contractual obligations.

Directors and directors' interests

The director who was served during the year was:

FM Kennedy

Beneficial interests of the director in the share capital of the ultimate parent company, Tarmac PLC were as follows:

	At 31 December 1996		Number of 50p ordinary shares At 1 January 1996 or date of appointment if later		Share options movements in year		
	Fully paid	Share options	Fully paid	Share options	granted	exercised	lapsed
FM Kennedy	-	60,000	-	-	60,000	-	-

No director was materially interested during the year in any contract which was significant in relation to the business of the company.

No director was beneficially interested in the loan capital of Tarmac PLC. No director had any beneficial interest in the share or loan capital of any subsidiary of Tarmac PLC.

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Directors' report *(continued)*

Directors' responsibilities statement

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 and of the profit or loss for that period. 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the 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 have general 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

During the year, Coopers & Lybrand resigned as auditors and the directors appointed KPMG Audit Plc to fill the casual vacancy. A resolution will be proposed at the forthcoming annual general meeting to ratify the appointment and to re-appoint KPMG Audit Plc for the forthcoming year.

Approved by the Board and signed on its behalf by:



E McEwan
Secretary

Construction House
Wolverhampton
WV1 4HY

8 April 1997



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

Report of the auditors to the members of WA Investments Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. 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 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 April 1997

WA Investments Limited

Profit and loss account

for the year ended 31 December 1996

	<i>Note</i>	1996 £'000	1995 £'000
Provision against value of subsidiary undertaking	4	<u>(915,332)</u>	<u>-</u>
Loss on ordinary activities before and after taxation	8	<u>(915,332)</u>	<u>-</u>

In both the current and preceding years, there was no material difference between the result reported in the profit and loss account the result on an unmodified historical cost basis.

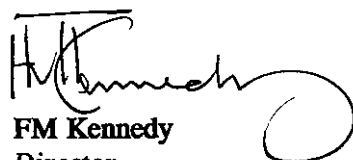
The company has no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account.

WA Investments Limited

Balance sheet at 31 December 1996

	Note	1996	1995
		£	£
Fixed assets			
Subsidiary undertakings	4	-	915,332
Investments	4	-	30,000
		-	945,332
Current assets			
Other debtors	5		5
Creditors: amounts falling due within one year	5	<u>(9,642,677)</u>	<u>(9,672,677)</u>
Net current liabilities		<u>(9,642,672)</u>	<u>(9,672,672)</u>
Total assets less current liabilities		<u>(9,642,672)</u>	<u>(8,727,340)</u>
Provisions for liabilities and charges	6	<u>(6,560)</u>	<u>(6,560)</u>
		<u>(9,649,232)</u>	<u>(8,733,900)</u>
Capital and reserves			
Called up share capital	7	3,230,000	3,230,000
Profit and loss account	8	<u>(12,879,232)</u>	<u>(11,963,900)</u>
Equity shareholders' funds		<u>(9,649,232)</u>	<u>(8,733,900)</u>

These financial statements were approved by the board of directors on 8 April 1997 and signed on its behalf by:


FM Kennedy
Director

WA Investments Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

These financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention. The shareholders have confirmed their willingness to continue to provide support to the above company for a period of at least twelve months in order to enable the company to continue to trade and pay its debts as they fall due. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Group accounts

The company is exempt under section 228 Companies Act 1985 from the requirement to prepare group financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the undertaking as an individual undertaking and not about its group. The company is included within the consolidated financial statements of Tarmac PLC, the company's ultimate parent undertaking which is incorporated in Great Britain and registered in England and Wales.

Cash flow statement

A cash flow statement has not been prepared as permitted by paragraph 8c of Financial Reporting Standard 1.

Associated undertakings

Associated undertakings are incorporated joint ventures and unlisted undertakings, other than subsidiary undertakings, held as long term investments in which the company has an investment representing not less than 20% of the voting rights and over which it exerts significant influence.

Other investments

Other investments includes holdings of shares other than in subsidiary and associated undertakings. The holdings are of a size that no control or influence can be exercised.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at closing rates of exchange. All differences are taken to the profit and loss account. Exchange differences arising on the retranslation of opening balance sheets together with the difference between profit and loss accounts translated at average rates and closing rates, are dealt with through reserves. Translation differences on intra group currency loans and foreign currency borrowings, to the extent they are used to finance or provide a hedge against equity investments in foreign enterprises, are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. All other translation differences are taken to the profit and loss account.

WA Investments Limited

Notes (continued)

1 Principal accounting policies (continued)

Taxation

The charge/credit for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise. Deferred tax net debit balances are carried forward as assets only to the extent that they are expected to be recoverable without replacement.

2 Audit fee

The audit fee has been borne by another group undertaking.

3 Employees and directors

Nobody was employed by the company during 1996 and 1995. The directors neither received nor waived any emoluments during the year (1995: £Nil).

4 Fixed asset investments

	Shares in subsidiary undertakings £	Participating interests £	Other investments £	Total £
Cost				
At beginning of year	957,332	174,000	33,000	1,164,332
Disposals	-	-	(33,000)	(33,000)
At end of year	957,332	174,000	-	1,131,332
Provisions				
At beginning of year	42,000	174,000	3,000	219,000
Additions	915,332	-	-	915,332
Disposals	-	-	(3,000)	(3,000)
At end of year	957,332	174,000	-	1,131,332
Net book value				
At 31 December 1996	-	-	-	-
At 31 December 1995	915,332	-	30,000	945,332

WA Investments Limited

Notes (continued)

4 Fixed asset investments (continued)

Trading subsidiaries are principally involved in the contracting business. Details of all subsidiaries and participating interests are as follows:

Name of subsidiary	Country of incorporation	Proportion of total shares %
Tarmac Construction Caribbean Limited (formerly George Wimpey (Caribbean) Limited)	Trinidad and Tobago	100
Chantier Modernes Asphalt SA	France	50

In the opinion of the directors, the value of the company's investment in its subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

5 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to parent and fellow subsidiary undertakings	<u>9,642,667</u>	<u>9,672,667</u>

6 Other provisions

	£
At beginning and end of year	<u>6,560</u>

7 Share capital

	1996 £	1995 £
Authorised:		
4,000,000 ordinary shares of £1 each	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid:		
3,230,000 ordinary shares of £1 each	<u>3,230,000</u>	<u>3,230,000</u>

WA Investments Limited

Notes (continued)

8 Profit and loss account

	£
At beginning of year	(11,963,900)
Loss for the year	(915,332)
	<hr/>
At end of year	(12,879,232)
	<hr/>

9 Reconciliation of movement in shareholders' funds

	1996 £	1995 £
Loss attributable to ordinary shareholders	(915,332)	-
Shareholders' funds at beginning of year	(8,733,900)	(8,733,900)
	<hr/>	<hr/>
Shareholders' funds at end of year	(9,649,232)	(8,733,900)
	<hr/>	<hr/>

10 Capital commitments

There were no capital commitments contracted for at 31 December 1996 (1995: £Nil).

11 Contingent liabilities

The company has contingent liabilities in respect of performance bonds, guarantees and claims under contracting and other agreements, including joint ventures, entered into in the normal course of business.

12 Holding company

The company's immediate holding company is Tarmac Overseas Limited whilst the company's ultimate holding company is Tarmac PLC, a company incorporated in Great Britain and registered in England and Wales.

Copies of the group financial statements of Tarmac PLC are available from Construction House, Wolverhampton, WV1 4HY.

13 Related party transactions

By virtue of the company being a wholly owned subsidiary included in the consolidated financial statements of a larger EU group, the company is exempt under Financial Reporting Standard 8 from disclosing transactions or balances with entities which are part of the group that qualify as related parties.