

1104811

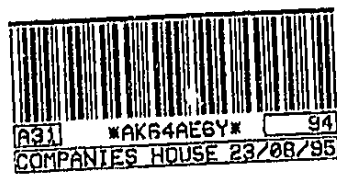
REGISTRAR

# Hanson Finance PLC

## Report and Accounts

31 March 1995

ERNST & YOUNG



# Hanson Finance PLC

---

Registered No. 1104811

## DIRECTORS

D C Bonham  
A J H Dougal  
G Dransfield  
K J Ludlam  
P Spencer

## SECRETARY

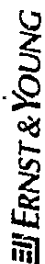
R T V Tyson

## AUDITORS

Ernst & Young  
PO Box 3  
Lowgate House  
Lowgate  
Hull HU1 1JJ

## REGISTERED OFFICE

1 Grosvenor Place  
London SW1X 7JH

 ERNST & YOUNG

# Hanson Finance PLC

## DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 31 March 1995.

### PRINCIPAL ACTIVITY

The principal activity of the company is to act as a group finance company.

### RESULTS AND DIVIDENDS

The profit before taxation for the year amounted to £1,612,787 as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

### DIRECTORS

The directors shown on page 1 are currently in office. On 31 May 1995 W M Landuyt resigned from the board and A J H Dougal was appointed a director. The remaining directors served throughout the year under review.

### DIRECTORS' INTERESTS

The only declarable interests were in the ordinary share capital of Hanson PLC, the ultimate holding company, as follows:

Ordinary shares	Balance at 31 March 1995 £	Balance at 1 April 1994 £
K J Ludlam	123,040	123,040
P Spencer	4,116	4,116

#### Options to subscribe for ordinary shares

	Balance at 1 April 1994	Granted	Exercised	Balance at 31 March 1995
K J Ludlam	205,768	31,000	-	236,768
P Spencer	278,768	9,000	-	287,768

Options granted during the year were at a subscription price 228.5p per share.

#### Details of options exercisable

	Weighted average average price of outstanding options	Exercise dates
K J Ludlam	217.1p	1993-2004
P Spencer	195.6p	1992-2004

No options lapsed during the year. The market price of the shares at 31 March 1995 was 223.3p and the range during the financial year was 212.0p to 264.9p.

At 31 March 1995 P Spencer was also interested in 250,000 warrants (1994 - 250,000) to subscribe for Hanson ordinary shares at a subscription price of 300p per share.

There were no other notifiable interests.

Full details of directors' shareholdings and options to subscribe for shares are given in the company's Register of Directors' Interests which is open to inspection.

# Hanson Finance PLC

## DIRECTORS' REPORT

### FIXED ASSETS

Movements on fixed asset investments are set out in note 6.

### TREASURY

The Board's Treasury policy is that all money market deposits and borrowings, foreign exchange activities, derivative products and other similar transactions are only undertaken as a result of its principal trading activity as a group finance company for Hanson PLC and its subsidiaries.

The financial strength of the Hanson Group allows the company to achieve its aims at the lowest possible cost. The company is principally involved in the commercial paper and international banking markets.

The company's Treasury does not operate as a profit centre in respect of its management of the Hanson Group's interest rate and currency exposures, and only uses those financial instruments approved by the Board. To date these have been standard interest rate swaps. Regular reports are made to the Board and the company is subject to independent review by its external auditors.

### AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the Board



R T V Tyson  
Secretary

09 AUG 1995

ERNST & YOUNG

## Hanson Finance PLC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ERNST & YOUNG

**REPORT OF THE AUDITORS**  
to the members of Hanson Finance PLC

We have audited the accounts on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 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 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 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 affairs of the company as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Hull

9th August 1995

# Hanson Finance PLC

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

	Notes	1995 £	1994 £
Interest receivable	2	113,968,601	79,211,732
Interest payable	3	(106,801,253)	(74,271,338)
Other operating charges	4	(5,554,561)	(4,537,456)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,612,787	402,938
Taxation	5	-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		1,612,787	402,938

Movements on reserves are set out in note 9.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the financial year of £1,612,787 in the year ended 31 March 1995 (profit of £402,938 in the year ended 31 March 1994).

ERNST & YOUNG

# Hanson Finance PLC

## BALANCE SHEET

at 31 March 1995

	Notes	1995 £	1994 £
<b>FIXED ASSETS</b>			
Investments	6	50,000,100	50,000,100
<b>CURRENT ASSETS</b>			
Debtors	7	3,276,622,248	2,863,252,020
Cash at bank		6,154,307	6,110,089
		<u>3,282,776,555</u>	<u>2,869,362,109</u>
<b>CREDITORS: amounts falling due within one year</b>			
Short term promissory notes		819,671,444	883,869,325
Bank loans		490,748,175	385,318,732
Amount due to group undertakings		1,014,577,247	643,044,822
Accruals		571,772	1,034,100
		<u>2,325,568,638</u>	<u>1,913,766,979</u>
<b>NET CURRENT ASSETS</b>		<u>957,207,917</u>	<u>955,595,130</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,007,208,017</u>	<u>1,005,595,230</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	8	1,000,000,000	1,000,000,000
Profit and loss account	9	7,208,017	5,595,230
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>1,007,208,017</u>	<u>1,005,595,230</u>

Approved by the Board on

A J H Dougal - Director

*Andrew Dougal*

09 AUG 1995

ERNST & YOUNG



# Hanson Finance PLC

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Fixed asset investments*

Fixed asset investments are stated at cost except where any provision for diminution in value is required.

#### *Foreign currencies*

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. All monetary assets and liabilities are translated at year-end exchange rates and the resulting exchange differences are dealt with in the determination of profit for the financial year.

#### *Deferred taxation*

Deferred taxation is provided on the liability method in respect of timing differences except where the liability is not expected to arise in the foreseeable future.

### 2. INTEREST RECEIVABLE

	1995 £	1994 £
Interest from group undertakings	105,402,829	78,839,870
Bank interest	8,565,772	371,862
	<u>113,968,601</u>	<u>79,211,732</u>

### 3. INTEREST PAYABLE

	1995 £	1994 £
Bank loans and short term promissory notes	71,165,747	73,329,025
Interest payable to group undertakings	35,635,506	942,313
	<u>106,801,253</u>	<u>74,271,338</u>

### 4. OTHER OPERATING CHARGES

	1995 £	1994 £
Auditors' remuneration	-	1,000
Directors' remuneration	-	-
Exchange fluctuations	5,430,886	4,340,044
Other expenses	123,675	196,412
	<u>5,554,561</u>	<u>4,537,456</u>

Fees for audit and non-audit services provided by Ernst & Young to the company have been borne by the ultimate parent undertaking. It is not practicable to ascertain what proportion of such fees relate to the company.

ERNST & YOUNG

# Hanson Finance PLC

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 5. TAXATION

There is no charge to taxation for the year due to the availability of group relief for losses suffered by other members of the group.

### 6. INVESTMENTS

Shares in subsidiary undertakings at cost:

£

Cost:

At 1 April 1994 and 31 March 1995

50,000,100

The subsidiary undertakings at 31 March 1995 were:

	<i>Nature of business</i>	<i>Country of registration/ incorporation</i>	<i>Proportion of shares held</i>
Marnee Limited	Finance Company	England and Wales	100% (Direct)
Handcraft Clothes (Isle of Man) Limited	Investment Holding Company	Isle of Man	100% (Indirect)
Bombardier Loans Limited	Investment Holding Company	Isle of Man	100% (Indirect)

The company is a wholly owned subsidiary undertaking of another body incorporated in the European Union and advantage has been taken of Section 228 of the Companies Act 1985 in that consolidated accounts have not been prepared.

### 7. DEBTORS

	<i>1995</i>	<i>1994</i>
	<i>£</i>	<i>£</i>
Other debtors	3,503,455	-
Amounts owed by ultimate parent undertaking	3,123,231,243	2,863,252,020
Amounts owed by group undertaking	149,887,550	-
	<u>3,276,622,248</u>	<u>2,863,252,020</u>

There are no formal agreements for the repayment of amounts owed by the ultimate parent undertaking or group undertakings.

# Hanson Finance PLC

## NOTES TO THE ACCOUNTS

at 31 March 1995

### 8. CALLED UP EQUITY SHARE CAPITAL

	<i>Authorised, allotted called up and fully paid</i>	
	<i>1995</i>	<i>1994</i>
	£	£
Ordinary shares of £1 each	1,000,000,000	1,000,000,000

### 9. PROFIT AND LOSS ACCOUNT

	£
At 31 March 1994	5,595,230
Retained profit for the year	1,612,787
At 31 March 1995	7,208,017

### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>1995</i>	<i>1994</i>
	£	£
Profit attributable to members of the company	1,612,787	400,438
New share capital subscribed	-	250,000,000
Net addition to shareholders' funds	1,612,787	250,400,438
Opening shareholders' funds	1,005,595,230	755,192,292
Closing shareholders' funds	1,007,208,017	1,005,595,230

### 11. CONTINGENT LIABILITIES

The company has guaranteed the obligations of certain group undertakings and a former group undertaking which obligations in aggregate do not exceed £25 million (1994 - £85 million).

### 12. GROUP ACCOUNTS

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Hanson PLC, registered in England and Wales. Hanson PLC is also the ultimate parent undertaking. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

ERNST & YOUNG