

1104811

REPORT AND ACCOUNTS

# Hanson Finance PLC

MARCH 31, 1991

ERNST & YOUNG



**DIRECTORS**

Mr A Hagdrup  
Mr D C Bonham  
Mr M G Taylor  
Mr K J Ludlam  
Mr P Spencer

**SECRETARY**

R T V Tyson

**AUDITORS**

Ernst & Young  
P O Box 3  
Lowgate House  
Lowgate  
HU1 1JJ

**REGISTERED OFFICE**

1 Grosvenor Place  
London  
SW1X 7JH

**COMPANY NUMBER**

1104811

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended March 31, 1991.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £1,333,333 and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend for the year.

DIRECTORS

The directors shown on page 1 are currently in office and served throughout the year under review.

DIRECTORS' INTERESTS

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

	<i>March 31, 1991</i> <i>Ordinary shares</i>	<i>March 31, 1990</i> <i>Ordinary shares</i>
K J Ludlam	96,333	100,333
P Spencer	20,000	20,000

There were no other notifiable interests in any other group company.

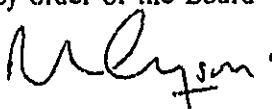
FIXED ASSETS

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

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

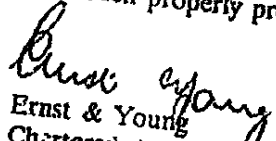
  
R T V Tyson  
Secretary

June 17, 1991

REPORT OF THE AUDITORS  
to the members of Hanson Finance PLC

We have audited the accounts on pages 4 to 9 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at March 31, 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young  
Chartered Accountants  
Hull

June 17, 1991

# Hanson Finance PLC

## PROFIT AND LOSS ACCOUNT for the year ended March 31, 1991

	Notes	1991 £	1990 £
Interest receivable	2	218,138,437	115,459,081
Interest payable	3	216,799,589	114,904,201
Other operating charges		26,124	6,632
OPERATING PROFIT	4	1,312,724	548,248
Other income		20,609	28,372
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,333,333	576,620
Taxation	5	-	-
PROFIT FOR THE YEAR		1,333,333	576,620

Movements on reserves are set out in note 9.

# Hanson Finance PLC

## BALANCE SHEET

at March 31, 1991

	Notes	1991 £	1990 £
<b>FIXED ASSETS</b>			
Investments	6	100	4,985,100
<b>CURRENT ASSETS</b>			
Debtors	7	1,882,217,112	1,496,941,196
Cash at bank		69,620,973	-
		<u>1,951,838,085</u>	<u>1,496,941,196</u>
<b>CREDITORS: amounts falling due within one year</b>			
Short term promissory notes		127,000,000	201,000,000
Bank loans		1,245,507,066	797,507,040
Amount due to fellow subsidiary undertakings		75,608,474	608,474
Accruals		1,436,585	1,858,055
		<u>1,449,552,125</u>	<u>1,000,973,569</u>
<b>NET CURRENT ASSETS</b>		<u>502,285,960</u>	<u>495,967,627</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>502,286,060</u>	<u>500,952,727</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	500,000,000	500,000,000
Profit and loss account	9	2,286,060	952,727
		<u>502,286,060</u>	<u>500,952,727</u>

The accounts were approved by the board on June 17, 1991.

D C Bonham

*D C Bonham*

K J Ludlam

*K J Ludlam*

Directors

ERNST & YOUNG

# STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended March 31, 1991

	1991 £	1990 £
<b>SOURCES OF FUNDS</b>		
<b>FROM OPERATIONS</b>		
Profit on ordinary activities before taxation	1,333,333	576,620
Items not involving the movement of funds:		
Profit on disposal of fixed asset investment	(15,000)	-
	<u>1,318,333</u>	<u>576,620</u>
<b>FROM OTHER SOURCES</b>		
Proceeds of share issue	-	250,000,000
Proceeds of disposal of fixed asset investments	5,000,000	-
Total sources of funds	<u>6,318,333</u>	<u>250,576,620</u>
<b>APPLICATIONS</b>		
Purchase of fixed asset investment	-	4,985,000
<b>INCREASE IN WORKING CAPITAL</b>	<u>6,318,333</u>	<u>245,591,620</u>
Arising from movements in:		
Debtors	385,275,916	652,662,916
Creditors	(74,578,530)	(1,064,265)
Cash at bank	69,620,973	-
Short term promissory notes	74,000,000	14,500,000
Bank loans	(448,000,026)	(420,507,031)
	<u>6,318,333</u>	<u>245,591,620</u>

# Hanson Finance PLC

## NOTES TO THE ACCOUNTS at March 31, 1991

### 1. ACCOUNTING POLICY

#### *Accounting convention*

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

#### *Consolidated accounts*

The company is a wholly owned subsidiary undertaking of a body incorporated in the European Community and advantage has been taken of S228 of the Companies Act 1985 in that consolidated accounts have not been prepared.

#### *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

	1991 £	1990 £
Interest from group undertakings	218,048,402	115,360,177
Bank interest	90,035	98,904
	<u>218,138,437</u>	<u>115,459,081</u>

### 3. INTEREST PAYABLE

	1991 £	1990 £
Bank loans and short term promissory notes	<u>216,755,589</u>	<u>114,904,201</u>

### 4. OPERATING PROFIT

Operating profit is stated after charging:

	1991 £	1990 £
Auditors' remuneration	1,000	1,000
Directors' remuneration	-	-
	<u>1,000</u>	<u>1,000</u>



## NOTES TO THE ACCOUNTS

at March 31, 1991

## 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

	<i>Shares in subsidiary undertakings</i>	<i>Loan notes in other group undertakings</i>	<i>Total</i>
	£	£	£
Cost:			
At March 31, 1990	100	4,985,000	4,985,100
Disposals	-	(4,985,000)	(4,985,000)
At March 31, 1991	<u>100</u>	<u>-</u>	<u>100</u>

The subsidiary undertaking at March 31, 1991 were:

	<i>Nature of business</i>	<i>Country of incorporation</i>	<i>Proportion of shares held</i>
Marnee Limited	Finance Company	UK	100% (Direct)
Handcraft Clothes (Isle of Man) Limited	Semi-dormant	Isle of Man	100% (Indirect)
Bombardier Loans Limited	Semi-dormant	Isle of Man	100% (Indirect)

Consolidated accounts have not been prepared since Hanson Finance PLC is a wholly owned subsidiary undertaking of another body registered in England. In the opinion of the directors, the value of the company's investment in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

## 7. DEBTORS

	<i>1991</i>	<i>1990</i>
	£	£
Prepayments	4,577,060	4,703,493
Amounts owed by ultimate holding company	1,877,633,661	1,491,681,010
Amount owed by fellow subsidiary undertaking	6,391	556,693
	<u>1,882,217,112</u>	<u>1,496,941,196</u>

There are no formal agreements for the repayment of amounts owed by group undertakings.

NOTES TO THE ACCOUNTS  
at March 31, 1991

8. CALLED UP SHARE CAPITAL

	<i>Authorised, allotted called up and fully paid</i>	
	<i>1991</i>	<i>1990</i>
	£	£
Ordinary shares of £1 each	500,000,000	500,000,000

9. PROFIT AND LOSS ACCOUNT

	£
At March 31, 1990	952,727
Retained profit for the year	1,333,333
At March 31, 1991	2,286,060

10. CONTINGENT LIABILITIES

The company has guaranteed the obligations of certain fellow subsidiary undertakings and a former fellow subsidiary undertaking, none of which exceeds £13 million (1990 - £4 million) and in aggregate do not exceed £33 million (1990 - £6 million).

11. ULTIMATE PARENT COMPANY

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