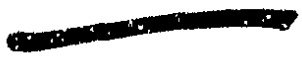


REGISTRAR

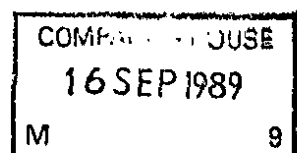
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DIRECTORS' REPORT AND ACCOUNTS

HANSON FINANCE PLC

YEAR ENDED 31 MARCH 1989



HANSON FINANCE PLC

DIRECTORS' REPORT

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

Secretary: R T V Tyson

Registered Office: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts for the year ended 31 March 1989.

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 £323,663 and is dealt with as shown in the profit and loss account.

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

DIRECTORS

The directors shown at the head of this report are currently in office and served throughout the year under review together with Mr J C Miller who resigned from the Board on 17 June 1988.

DIRECTORS' INTERESTS

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

	31 March 1989	31 March 1988
	Ordinary	Ordinary
K J Ludlam	97,333	101,333

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

AUDITORS

Ernst and Whinney 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
21 August 1989

ERNST & WHINNEY - Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS OF HANSON FINANCE PLC

We have audited the accounts set out on pages 4 to 9 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1989 and of the profit and source and application of funds for the year then ended, and comply with the Companies Act 1985.

Ernst & Whinney
Ernst & Whinney

Hull

21 August 1989

HANSON FINANCE PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1989

		1989 (12 Months)	1988 (6 Months)
	Note	£	£
Interest receivable	2	39,772,457	3,457,420
Interest payable on bank loans and short term promissory notes		(39,420,928)	(3,434,026)
Other income		9,444	-
Other operating charges		(37,310)	(8,056)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	323,663	15,338
TAXATION	4	-	-
PROFIT FOR THE YEAR		<u>£ 323,663</u> =====	<u>£15,338</u> =====

Movements on reserves are set out in note 8.

HANSON FINANCE PLC

BALANCE SHEET - 31 MARCH 1989

		1989	1988
	Note	£	£
FIXED ASSETS			
Investments	5	100	100
CURRENT ASSETS			
Debtors	6	844,278,280	29,720,422
Cash at bank		-	305,332,922
		<u>844,278,280</u>	<u>335,053,344</u>
CREDITORS-amounts falling due within one year			
Short Term Promissory Notes		215,500,000	85,000,000
Bank loans		377,000,009	-
Accruals		793,790	1,000
Amount due to fellow subsidiary		608,474	-
		<u>593,902,273</u>	<u>85,001,000</u>
NET CURRENT ASSETS		250,376,007	250,052,344
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 250,376,107</u>	<u>£ 250,052,444</u>
CAPITAL AND RESERVES			
Called-up share capital	7	250,000,000	250,000,000
Profit and Loss Account	8	376,107	52,444

D C Bonham

D C BONHAM

K J Ludlam

K J LUDLAM

} Directors

21 August 1989

£ 250,376,107 £ 250,052,444

HANSON FINANCE PLC

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 MARCH 1989

	1989 (12 Months) £	1988 (6 Months) £
SOURCES OF FUNDS		
FROM OPERATIONS:-		
Profit on ordinary activities before taxation	323,663	15,338
FROM OTHER SOURCES:-	-	249,987,425
Proceeds of share issue	-	249,987,425
Total funds generated	<u>323,663</u>	<u>250,002,763</u>
APPLICATION-Investment in subsidiary		
	-	100
	<u>£ 323,663</u>	<u>£ 250,002,663</u>
	=====	=====
ARISING FROM MOVEMENTS IN:-		
Debtors	814,557,858	29,291,683
Creditors	(1,401,264)	(1,000)
Cash at Bank	(305,332,922)	267,711,980
Short term promissory notes	(130,500,000)	(47,000,000)
Bank Loans	(377,000,009)	-
	<u>£ 323,663</u>	<u>£250,002,663</u>
	=====	=====

HANSON FINANCE PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1989

1 ACCOUNTING POLICY

Accounting convention

The accounts have been prepared under the historical cost convention.

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

	1989 £	1988 £
Interest from group companies	39,077,468	3,457,420
Bank	694,989	-
	<u>£39,772,457</u> =====	<u>£3,457,420</u> =====

3 OPERATING PROFIT

Operating profit is stated after charging:

	1989 (12 Months) £	1988 (6 Months) £
Auditors' remuneration	1,000	1,000
Directors' remuneration	-	-

4 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.

5 INVESTMENTS

The company holds an investment of £100 in a subsidiary company, Marnee Limited. Consolidated accounts have not been prepared since the company is a wholly owned subsidiary of another body incorporated in Great Britain. In the opinion of the directors the value of the company's investment in its subsidiary is not less than the amount at which it is stated in the balance sheet. The subsidiary companies at 31 March 1989 were:

HANSON FINANCE PLC

NOTES ON THE ACCOUNTS -31 MARCH 1989

	Country of Incorporation	Proportion of shares held
Marnee Limited	UK	100%
Carisbrook Industries Inc	USA	50.5%
Bombadier Loans Limited	Isle of Man	100%
Alexander Sloan (Dublin) Limited	Ireland	100%
Handcraft Clothes (Isle of Man) Ltd	Isle of Man	100%
UDS Group Netherlands B V	Netherlands	100%
Berec Guernsey Limited	Guernsey	100%

With the exception of the holding in Marnee Limited all the above shares were held by a subsidiary company.

6 DEBTORS

	1989 £	1988 £
Prepayments	3,136,632	288,306
Amounts owed by ultimate holding company	841,141,648	29,432,116
	<u>£ 844,278,280</u> =====	<u>£ 29,720,422</u> =====

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

7 CALLED-UP SHARE CAPITAL

At 31 March 1989 and 31 March 1988 the called-up share capital of the company was:

	Authorised	Allotted and fully paid
Ordinary shares of £1 each	<u>£ 250,000,000</u>	<u>£250,000,000</u>

8 PROFIT AND LOSS ACCOUNT

	1989 £	1988 £
At 31 March 1988	52,444	37,106
Retained profit for the year	323,663	15,338
	<u>£ 376,107</u> =====	<u>£52,444</u> =====

HANSON FINANCE PLC

NOTES ON THE ACCOUNTS - 31 MARCH 1989 (contd)

9 CONTINGENT LIABILITIES

The company has guaranteed the obligations of certain subsidiary companies and a former subsidiary company, none of which exceeds £4.3 million and in aggregate do not exceed £7 million.

10 ULTIMATE HOLDING COMPANY

The ultimate holding company is Hanson PLC which is incorporated in Great Britain.