

REG/STH

Hanson Facing Bricks Limited

Report and Accounts

31 December 1999

Registered No. 2361476



Hanson Facing Bricks Limited

Registered No. 2361476

DIRECTORS

R C Manning

M P Lean

D J Szymanski (appointed 4 January 1999)

SECRETARY

W Trott

AUDITORS

Ernst & Young

PO Box 3

Lowgate House

Lowgate

Hull

HU1 1JJ

REGISTERED OFFICE

Stewartby

Bedford

MK43 9LZ

 **ERNST & YOUNG**

Hanson Facing Bricks Limited

Registered No. 2361476

The directors present their report and audited accounts for the year ended 31 December 1999.

REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be that of an investment holding company. All the subsidiary undertakings were engaged in the manufacture and sale of facing and engineering bricks.

RESULTS AND DIVIDENDS

During the year the company received dividend income from a subsidiary undertaking of £75,000,000. There were no other transactions affecting the profit for the year. A dividend of £75,000,000 was paid to the parent undertaking.

DIRECTORS AND THEIR INTERESTS

The current directors of the company are those listed on page 1.

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

The conditional interest in ordinary shares is in respect of the award made under the long term incentive plan.

	<i>Conditional Ordinary shares</i>		<i>Options at 1 January 1999</i>		<i>interest in ordinary shares at 1 January 1999</i>	
	<i>At 1 January 1999 (or date of appointment)</i>	<i>At 31 December 1999</i>	<i>(or date of appointment)</i>	<i>At 31 December 1999</i>	<i>(or date of appointment)</i>	<i>At 31 December 1999</i>
R C Manning	5,358	15,000	97,774	0	53,252	77,188
M P Lean	-	-	37,793	38,248	28,082	40,847
D J Szymanski	62	62	48,522	1,645	39,664	55,142

<i>Option</i>	<i>Market Options exercised during year</i>	<i>Exercise price</i>	<i>Market Price at date of exercise</i>	<i>Dates exercised</i>
D J Szymanski	13,858	412.3	526.0	3 March 1999
	18,607	356.4	526.0	3 March 1999
	3,880	424.9	631.0	27 April 1999
	10,532	482.6	631.0	27 April 1999
R C Manning	26,054	412.3	621.0	29 April 1999
	20,511	482.6	621.0	29 April 1999
	17,185	424.9	621.0	29 April 1999
	24,382	356.4	621.0	29 April 1999
	9,642	356.4	621.0	29 April 1999

There were no other notifiable interests.

Options include options under Hanson's executive share option scheme and Sharesave Plan.

The range of the middle market quotations for Hanson ordinary share during period was 392.25 pence to 632.0 pence. The middle market quotation for Hanson ordinary shares at 31 December 1998 was 519.0 pence.

ANNUAL GENERAL MEETINGS

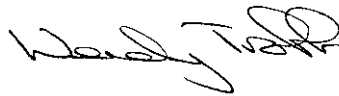
Pursuant to the Elective Resolution of the company passed on 18 January 1994, the company has dispensed with the need to hold Annual General Meetings. Any member of the company is entitled to require the laying of the accounts before a general meeting on giving due notice to that effect in accordance with Section 253 of the Companies Act 1985.

AUDITORS

Ernst & Young, having consented to act, will continue in office.

By order of the Board

W Trott
Secretary



23 (10.2.94)

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.

Hanson Facing Bricks Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

REPORT OF THE AUDITORS

to the members of Hanson Facing Bricks Limited

We have audited the accounts on pages 6 to 9 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 in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
Hull

23 October 2000

Hanson Facing Bricks Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1999

	<i>1999</i> <i>£000</i>	<i>1998</i> <i>£000</i>
INCOME FROM SHARES IN SUBSIDIARY UNDERTAKING AND PROFIT ON ORDINARY ACTIVITIES FOR THE YEAR	75,000	-
Dividend paid	(75,000)	-
	<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR	-	-
	<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses other than those noted above.

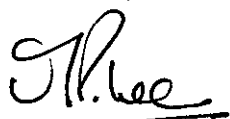
Hanson Facing Bricks Limited

BALANCE SHEET

at 31 December 1999

	Notes	1999 £000	1998 £000
FIXED ASSETS			
Investments	2	408,172	408,172
CURRENT ASSETS			
Amounts owed by subsidiary undertakings		111,400	36,400
CREDITORS: amounts falling due within one year	3	111,998	36,998
NET CURRENT LIABILITIES		(598)	(598)
TOTAL ASSETS LESS CURRENT LIABILITIES		407,574	407,574
CAPITAL AND RESERVES			
Equity share capital	4	408	408
Share premium account		407,166	407,166
EQUITY SHAREHOLDERS' FUNDS		407,574	407,574

Approved by the Board on



M P Lean - Director

23 OCT 2000

Hanson Facing Bricks Limited

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICY

Accounting convention

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

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Hanson plc group.

Investments

Investments are included at cost, less any required provision for permanent diminution in value.

2. FIXED ASSET INVESTMENTS

Subsidiary undertakings

	£000	£000
Shares at cost:		
At 31 December 1999 and 31 December 1998	408,172	408,172

The principal subsidiary undertakings at 31 December 1999, all of which were registered in England and Wales and wholly owned, were:-

Hanson Brick Limited
National Star Limited
The National Brick Company Limited
The Claughton Manor Brick Limited
The Milton Hall (Southend) Brick Company Limited

Hanson Brick Limited is engaged in the manufacture of facing and engineering bricks. All the other undertakings are dormant.

In the opinion of the directors, the value of the company's investments is not less than the amount at which they are stated in the balance sheet.

3. CREDITORS

	1999 £000	1998 £000
Amounts owed to parent undertakings	111,998	36,998

NOTES TO THE ACCOUNTS

at 31 December 1999

4. EQUITY SHARE CAPITAL

	1999 No.	Authorised 1998 No.	Allotted, called up and fully paid	
			1999 £	1998 £
Ordinary shares of £1 each	1,000	1,000	408	408

5. CONSOLIDATED ACCOUNTS

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

6. 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 company's ultimate parent company. Copies of Hanson PLC's accounts can be obtained from Hanson PLC, 1 Grosvenor Place, London SW1X 7JH.