

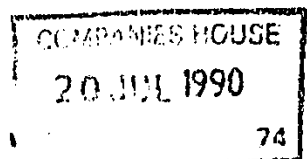
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DIRECTORS' REPORT AND ACCOUNTS

HANSON (CGF) FINANCE LIMITED

(formerly Hanson Threads Limited)

30 SEPTEMBER 1989



HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

DIRECTORS' REPORT

Directors: A G L Alexander
M G Taylor
D C Bonham
G Dransfield
M C Murray

Secretary: R T V Tyson

Registered: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts for the period from incorporation to 30 September 1989.

INCORPORATION

The company was incorporated on 15 March 1989 as Hanson Threads Limited. The company's name was changed to Hanson (CGF) Finance Limited with effect from 19 September, 1989.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of investing its available funds.

DIRECTORS

Mr G Dransfield and Mr M C Murray were appointed to the board on incorporation together with Mr C W Hamshaw-Thomas who resigned on 14 August 1989. Mr D C Bonham, M G Taylor and Mr A G L Alexander were appointed to the board on 14 August 1989.

RESULTS AND DIVIDENDS

The profit in the period attributable to shareholders amounted to £63,241,658. The directors do not recommend the payment of a dividend.

SHARE CAPITAL

On 29 August 1989 999,998 ordinary shares of £1 each were issued for cash at a premium of £499 per share.

DIRECTORS' INTERESTS

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

	30 September 1989	15 March 1989
	Ordinary Shares	Ordinary Shares
G Dransfield	15,962	15,962

There were no other notifiable interests.

HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

DIRECTORS' REPORT - continued

AUDITORS

Ernst & Whinney were appointed during the period. Ernst & Whinney merged their practice with Arthur Young on 1 September 1989 and now practise in the name of Ernst & Young. Accordingly they have signed their audit report in their new name. 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

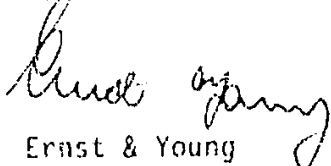
29 November, 1989

ERNST & YOUNG

REPORT OF THE AUDITORS TO THE MEMBERS OF HANSON (CGF) FINANCE LIMITED
(formerly Hanson Threads Limited)

We have audited the accounts on pages 5 to 8 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 30 September 1989 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants

Hull

29 November, 1989

HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

PROFIT AND LOSS ACCOUNT

FOR THE SEVEN MONTHS ENDED 30 SEPTEMBER 1989

	Note	1989 £
Exchange fluctuation		48,759,398
Interest receivable from a group company		29,432,273
Interest payable to the ultimate holding company		<u>(14,950,013)</u>
Profit on ordinary activities before taxation		63,241,658
Taxation	2	..
Profit for the year after taxation		<u>£63,241,658</u> =====

HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

BALANCE SHEET - 30 SEPTEMBER 1989

	NOTE	1989 £
CURRENT ASSETS		
Debtors	3	2,497,696,315
CREDITORS-amounts falling due within one year	4	1,934,454,657
NET CURRENT ASSETS		<u>563,241,658</u>
CAPITAL AND RESERVES		
Called up share capital	5	1,000,000
Share premium	6	499,000,000
Profit and loss account		63,241,658
<i>D. C. Bonham</i> D C Bonham		
G Dransfield		
29 November 1989		
		<u>£563,241,658</u>

Directors

G Dransfield

HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1989

1 ACCOUNTING POLICIES

a) Accounting convention

The accounts have been prepared under the historical cost convention.

b) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at year end rates of exchange. Exchange differences thus arising are reported as part of the profit for the year.

2 TAXATION

The exchange fluctuation is not taxable. No taxation is provided on the other net income due to the availability of group relief for losses in other group companies.

3 DEBTORS

Amount due from fellow subsidiary	2,468,264,042
Interest due from fellow subsidiary	29,432,273
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	£2,497,696,315
	=====

4 CREDITORS: Amounts falling due within one year:

Amount due to ultimate holding company	1,919,504,644
Interest due to ultimate holding company	14,950,013
	<hr/>
	£1,934,454,657
	=====

The amount due to the holding company is denominated in US Dollars, and repayable on demand. Interest is payable on 31/12/1990 and at 6 monthly intervals thereafter.

HANSON (CGF) FINANCE LIMITED (formerly Hanson Threads Limited)

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1989 (continued)

5 SHARE CAPITAL

At 30 September 1989 the share capital of the company was:

	Authorised	Allotted, called up and fully paid
Ordinary shares of £1 each	£2,500,000	£1,000,000

Two subscriber shares of £1 each were issued nil paid on incorporation. On 29 August 1989 these shares were called up for a cash premium of £499 each. Also on 29 August 1989, a further 999,998 shares of £1 each were issued at a premium of £499 per share for cash.

6 SHARE PREMIUM ACCOUNT

Premium arising on shares issued in the period	£ 499,000,000 =====
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7 HOLDING COMPANY

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