

NO: 2362176

DIRECTORS' REPORT AND ACCOUNTS

HANSON BUILDING HOLDINGS LIMITED

29 SEPTEMBER 1990

HANSON BUILDING HOLDINGS LIMITED

DIRECTORS' REPORT

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

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 29 September 1990.

PRINCIPAL ACTIVITIES

The company is an investment holding company within the Hanson PLC group. As part of a reorganisation of the Hanson PLC group during the year the company acquired the whole of the issued share capital of Hanson Building Products Limited, Hanson ARC Ventures Limited and Hanson ARC Overseas Limited. The total consideration amounted to £1,739,408,000.

The purchase price of the subsidiaries acquired as part of the reorganisation was determined by the directors on the basis of valuations of each subsidiary which have primary regard either to the net assets or to the potential earnings of the relevant subsidiary. In establishing valuations based on earnings, the directors considered all relevant factors including the nature of business, earnings growth and valuations of similar businesses with stock exchange listings.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounted to £275,000,000 as shown in the profit and loss account. An interim dividend of £275,000,000 was paid in the year. The directors do not recommend the payment of a final dividend for the year.

SHARE CAPITAL

On 5 April 1990 1,739,408 ordinary shares of £1 each were issued for a total premium of £1,737,668,592.

DIRECTORS

The directors shown at the head of this report are currently in office and served throughout the year under review.

HANSON BUILDING HOLDINGS LIMITED

DIRECTORS' REPORT - (continued)

DIRECTORS' INTERESTS

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

	29 September 1990	1 October 1989
M C Murray	13,000	-

There were no other notifiable interests.

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.

ANNUAL GENERAL MEETINGS

An Elective Resolution pursuant to Section 379A of the Companies' Act 1985 will be proposed at the Annual General Meeting dispensing with the need to hold such meetings in the future.

By order of the Board



R T V Tyson

Secretary

6 December 1990

ERNST & YOUNG

REPORT OF THE AUDITORS TO THE MEMBERS OF HANSON BUILDING HOLDINGS LIMITED

We have audited the accounts on pages 5 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 29 September 1990 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

6 December 1990

HANSON BUILDING HOLDINGS LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 29 SEPTEMBER 1990

	Note	1990 £	1989 (28 Weeks) £
Income from shares in group companies		<u>275,000,000</u>	<u>27,000,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		275,000,000	27,000,000
Taxation	2	<u>-</u>	<u>-</u>
Profit for the year		275,000,000	27,000,000
Dividend paid		<u>275,000,000</u>	<u>27,000,000</u>
Retained profit		<u>£ -</u>	<u>£ -</u>

HANSON BUILDING HOLDINGS LIMITED
BALANCE SHEET - 29 SEPTEMBER 1990

	NOTE	1990 £	1989 £
FIXED ASSETS			
Investments	3	2,769,150,000	1,029,742,000
CURRENT ASSETS			
Amount due from subsidiary companies		302,000,000	27,000,000
CREDITORS—Amounts falling due within one year			
Amount due to fellow subsidiary		301,998,000	26,998,000
NET CURRENT ASSETS		2,000	2,000
TOTAL ASSETS LESS CURRENT LIABILITIES		£2,769,152,000	£1,029,744,000
CAPITAL AND RESERVES			
Called up share capital	4	2,769,152	1,029,744
Share premium	5	2,766,382,848	1,028,714,256
		2,769,152,000	1,029,744,000
D C Bonham	} Directors		
G Dransfield			
Approved by the Board of Directors on			
6 December 1990			
		£2,769,152,000	£1,029,744,000

HANSON BUILDING HOLDINGS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 29 SEPTEMBER 1990

	1990 £	1989 (28 Weeks) £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation	275,000,000	27,000,000
Proceeds of issue of share capital	<u>1,739,408,000</u>	<u>1,029,744,000</u>
Total sources of funds	<u>2,014,408,000</u>	<u>1,056,744,000</u>
FUNDS APPLIED		
Dividend paid	275,000,000	27,000,000
Investment in subsidiary companies	<u>1,739,408,000</u>	<u>1,029,742,000</u>
	<u>2,014,408,000</u>	<u>1,056,742,000</u>
MOVEMENT IN WORKING CAPITAL		
	<u>£ -</u>	<u>£ 2,000</u>
Arising from movement in:		
Group indebtedness	<u>£ -</u>	<u>£ 2,000</u>

HANSON BUILDING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 29 SEPTEMBER 1990

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Fixed asset investments

Fixed asset investments are stated at cost except where it is required to make a provision for diminution in value.

2 TAXATION

There is no liability to corporation tax on the result for the year.

3 FIXED ASSET INVESTMENTS

Shares in subsidiary companies at cost	£
at 1 October 1989	1,029,742,000
Additions at cost in the year	1,739,408,000
	<hr/>
	£2,769,150,000
	=====

At the balance sheet date the wholly owned direct subsidiaries of the company were Hanson Facing Bricks Limited, Hanson Fletton Bricks Limited, Hanson Building Products Limited, Hanson ARC Ventures Limited and Hanson ARC Overseas Limited all incorporated in Great Britain and acting as investment holding companies.

The purchase price of the subsidiaries acquired as part of the reorganisation was determined by the directors on the basis of valuations of each subsidiary which have primary regard either to the net assets or to the potential earnings of the relevant subsidiary. In establishing valuations based on earnings, the directors considered all relevant factors including the nature of business, earnings growth and valuations of similar businesses with stock exchange listings.

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 investments in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

HANSON BUILDING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 29 SEPTEMBER 1990

4 SHARE CAPITAL

The share capital of the company at 29 September 1990 was:

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each		1,029,744
At 1 October 1989	1,500,000	1,739,408
Additions during the year	1,500,000	
	<u>£3,000,000</u>	<u>£2,769,152</u>
As at 29 September 1990	=====	=====

On 21 March, 1990 the authorised share capital of the company was increased from £1,500,000 to £3,000,000.

On 5 April 1990 1,739,408 shares of £1 each, were issued for a total premium of £1,737,668,592 as consideration for the acquisition of subsidiary companies.

5 SHARE PREMIUM ACCOUNT

	£
As at 1 October 1989	1,028,714,256
Premium arising on shares issued during the year	1,737,668,592
As at 29 September 1990	<u>£2,766,382,848</u>

6 ULTIMATE HOLDING COMPANY

The ultimate holding company is Hanson PLC, which is registered in England.