

NO: 2362176

HANSON BUILDING HOLDINGS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1994



HANSON BUILDING HOLDINGS LIMITED

DIRECTORS' REPORT

Directors: D C Bonham
G Dransfield
A J H Dougal (appointed May 31 1995)

Secretary: R T V Tyson

Registered office: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts of the company for the year ended 30 September 1994.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a group investment holding company.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £61,428,902 and is dealt with as shown in the profit and loss account. Having paid interim dividends totalling £61,146,900, the directors do not recommend the payment of a final dividend for the year ended 30 September, 1994.

Following the receipt of a dividend of £440,000 from a subsidiary undertaking on 21 December 1994, an interim dividend of £440,000 was paid in respect of the year ended 30 September 1995.

DIRECTORS

The directors shown at the head of this report are currently in office. D C Bonham, G Dransfield and W M Landuyt served throughout the year under review. W M Landuyt resigned on May 31 1995.

DIRECTORS' INTERESTS

None of the directors had any declarable interests in the share or loan capital of the company or any associated company during the year under review.

ANNUAL GENERAL MEETINGS

Pursuant to the Elective Resolution of the company passed on 19 July 1991, 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.

HANSON BUILDING HOLDINGS LIMITED

DIRECTORS' REPORT

AUDITORS

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

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 for that year. 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;
- 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.

By order of the Board



R T V Tyson
Secretary
8 June 1995

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

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

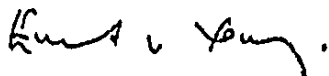
BASIS OF OPINION

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 30 September 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor

Hull

8 June 1995

HANSON BUILDING HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1994

| | <u>Note</u> | <u>1994</u> £ | <u>1993</u> £ |
|---|-------------|------------------|------------------|
| Income from shares in group undertakings | | 62,757,468 | 58,218,151 |
| Other income | | 2 | - |
| Exceptional items: | | | |
| Provision for diminution in value of fixed asset investments | | (718,000) | - |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | 62,039,470 | 58,218,151 |
| Taxation | 3 | 610,568 | 5,907,508 |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 61,428,902 | 52,310,643 |
| Dividend - interims paid | | 61,146,900 | 52,310,643 |
| PROFIT FOR THE FINANCIAL YEAR | | <u>£282,002</u> | <u>£ -</u> |

Movements on reserves are set out in note 6.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of £61,428,902 in the year ended 30 September 1994 (profit of £52,310,643 in the year ended 30 September 1993).

HANSON BUILDING HOLDINGS LIMITED

BALANCE SHEET - 30 SEPTEMBER 1994

| | NOTE | 1994 £ | 1993 £ |
|---|------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Investments | 4 | 3,099,094,000 | 3,099,812,000 |
| CURRENT ASSETS | | | |
| Amount due from ultimate parent undertaking | | 14,553,237 | 14,611,064 |
| Amount due from subsidiary undertakings | | 407,813,000 | 347,813,000 |
| | | 422,366,237 | 362,424,064 |
| CREDITORS - Amounts falling due within one year | | | |
| Amount due to fellow subsidiary undertaking | | 421,364,235 | 362,364,235 |
| Bank overdraft | | - | 57,829 |
| | | 421,364,235 | 362,422,064 |
| NET CURRENT ASSETS | | 1,002,002 | 2,000 |
| TOTAL ASSETS LESS LIABILITIES | | <u>£3,100,096,002</u> | <u>£3,099,814,000</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 3,099,814 | 3,099,814 |
| Share premium | | 3,096,714,186 | 3,096,714,186 |
| Profit and loss account | 6 | 282,002 | - |
| Equity shareholder's funds | | <u>£3,100,096,002</u> | <u>£3,099,814,000</u> |

Approved by the Board of Directors on
8 June 1995

Graham Dransfield

G Dransfield
Director

HANSON BUILDING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

1 ACCOUNTING POLICIES

a) Accounting convention

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

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 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

| | <u>1994</u> | <u>1993</u> |
|-------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Auditors' remuneration | - | - |
| Directors' remuneration | <u>-</u> | <u>-</u> |

Certain fees for non-audit services provided by Ernst & Young to the company have been borne by the ultimate parent undertaking. It is not practicable to ascertain what proportion of such fees relates to the company.

3 TAXATION

| | <u>1994</u> | <u>1993</u> |
|-------------------------------------|-----------------|-------------------|
| Tax credit on UK dividends received | <u>£610,568</u> | <u>£5,907,508</u> |

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

HANSON BUILDING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

4 FIXED ASSET INVESTMENTS

£

Shares in subsidiary undertakings at cost:
At 30 September 1993 and 1994

3,099,812,000

Provision for diminution in value
At 30 September 1993
Provided in the year

-
718,000

At 30 September 1994

£718,000

Net book value:

At 30 September 1994

3,099,094,000

At 30 September 1993

3,099,812,000

At the balance sheet date the wholly owned directly held subsidiary undertakings of the company were:-

Hanson Beazer Properties Limited
Hanson Facing Bricks Limited
Hanson Fletton Bricks Limited
Hanson Building Products Limited
Hanson ARC-Ventures Limited
Hanson ARC-Overseas Limited

All are registered in England and Wales and act as group investment holding companies. Principal indirect subsidiaries registered in England and Wales are:-

ARC Limited
London Brick Company Limited
Butterley Brick Limited

Aggregates producer
Bricks manufacturer
Bricks manufacturer

The company is a wholly-owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of Section 228 of the Companies Act 1985 in that consolidated accounts have not been prepared. In the opinion of the directors the value of the company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

HANSON BUILDING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

5 SHARE CAPITAL

At 30 September 1994 and 1993
the share capital of the company was:

| | <u>Authorised</u> | <u>Allotted, called up and fully paid</u> |
|----------------------------|-------------------|---|
| | £ | £ |
| Ordinary shares of £1 each | <u>£4,000,000</u> | <u>£3,099,814</u> |

6 MOVEMENT IN RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | <u>Share Capital</u> | <u>Share Premium</u> | <u>Profit and loss account</u> | <u>Total</u> |
|--|--------------------------|--------------------------|------------------------------------|------------------------|
| | £ | £ | £ | £ |
| At 30 September 1992 | 2,769,152 | 2,766,382,848 | - | 2,769,152,000 |
| Profit for the year | | | 52,310,643 | 52,310,643 |
| Dividends paid | - | - | (52,310,643) | (52,310,643) |
| Shares issued and fully paid in year | 330,662 | - | - | 330,662 |
| Share premium arising from issue of shares in year | - | 330,331,338 | - | 330,331,338 |
| At 30 September 1993 | <u>£3,099,814</u> | <u>£3,096,714,186</u> | <u>£ -</u> | <u>£ 3,099,814,000</u> |
| Profit for the year | - | - | 61,428,902 | 61,428,902 |
| Dividends paid | - | - | (61,146,900) | (61,146,900) |
| At 30 September 1994 | <u>£3,099,814</u> | <u>£3,096,714,186</u> | <u>£282,002</u> | <u>£3,100,096,002</u> |

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