

REGISTRAR

NO: 2362253

UDS HOLDINGS (1) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1996



UDS HOLDINGS (1) LIMITED

DIRECTORS' REPORT

Directors: G Dransfield
 S J Hurrell
 K J Ludlam

Secretary: P D Tunnacliffe

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 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an investment holding company.

RESULTS AND DIVIDENDS

The company did not trade during the year and the accounts consist of a balance sheet only. The directors do not recommend the payment of a final dividend for the year.

DIRECTORS

The directors shown at the head of this report are currently in office. On 30 September 1996 M C Murray resigned from the board, and S J Hurrell was appointed a director. The other directors served throughout the year under review. There were no other directors during the year.

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 MEETING

Pursuant to an 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.

AUDITORS

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

UDS HOLDINGS (1) LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

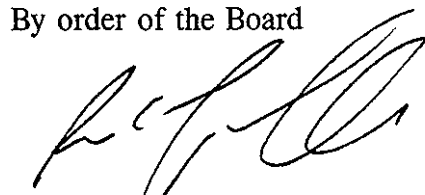
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- 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



P D Tunnacliffe
Secretary

April 22, 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF UDS HOLDINGS (1) LIMITED

We have audited the accounts on pages 5 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

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.

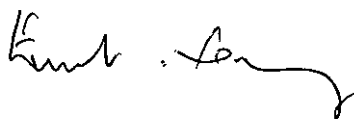
BASIS OF OPINION

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 1996 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor

Hull

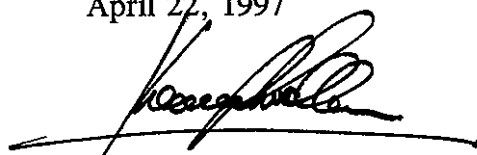
April 22, 1997

UDS HOLDINGS (1) LIMITED

BALANCE SHEET - 30 SEPTEMBER 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Investments	2	185,373,000	185,373,000
CURRENT ASSETS			
Amounts owed by subsidiary undertakings	3	8,361,884	8,361,884
CREDITORS-amounts falling due within one year			
Amounts owed to group undertakings	3	7,305,884	7,305,884
NET CURRENT ASSETS		<u>1,056,000</u>	<u>1,056,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>186,429,000</u>	<u>186,429,000</u>
CAPITAL AND RESERVES			
Called up share capital	4	102	102
Share premium account		186,428,898	186,428,898
Profit and loss account		-	-
Equity shareholders' funds		<u>186,429,000</u>	<u>186,429,000</u>

Approved by the Board of Directors on
April 22, 1997


K J Ludlam
Director

UDS HOLDINGS (1) LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1996

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Consolidated accounts

The company is a wholly-owned subsidiary 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.

(c) Fixed asset investments

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

2 FIXED ASSET INVESTMENTS

£

Shares in subsidiary undertakings at cost:

At 30 September 1995 and 1996 185,503,000

Provisions for diminution in value:

At 30 September 1995 and 1996 130,000

Net book amounts:

At 30 September 1995 and 1996 185,373,000

The following are the company's directly held wholly owned subsidiary undertakings:

<u>Company</u>	<u>Nature of business</u>	<u>Country of incorporation or registration</u>
Brooks Bros (Tailors) Limited	Property investment	England and Wales
McIndor Hills Corp	Dormant	Panama
Peter Pell Limited	Property investment	England and Wales
UDS (Head Office) Limited	Holding company	England and Wales
UDS Finance Limited	Holding company	England and Wales
UDS Overseas Investments Limited	Holding company	England and Wales

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

UDS HOLDINGS (1) LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1996

3 GROUP UNDERTAKINGS

There are no formal agreements for the repayment of amounts owed by or to group undertakings.

4 CALLED UP SHARE CAPITAL

	<u>Authorised</u> <u>1996 and 1995</u>	<u>Allotted, called up</u> <u>and fully paid</u> <u>1996 and 1995</u>
Ordinary shares of £1 each	<u>£1,000,000</u>	<u>£102</u>

5 PROFIT AND LOSS ACCOUNT

The company has not traded during the year and consequently no profit and loss account has 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 ultimate parent undertaking. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.