

NO: 2362253

UDS HOLDINGS (1) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1995



UDS HOLDINGS (1) LIMITED

DIRECTORS' REPORT

Directors: G Dransfield
M C Murray
K J Ludlam

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 1995.

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. 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 and served throughout the year under review. A G L Alexander resigned from the board on June 30, 1995. 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



R T V Tyson
Secretary

April 4 1996

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

We have audited the accounts on pages 5 to 8 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.

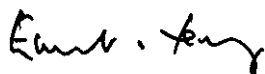
BASIS OF OPINION

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 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor

Hull

April 4 1996

UDS HOLDINGS (1) LIMITED

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 30 SEPTEMBER 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
Operating income	2	-	7,000,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	7,000,000
Taxation	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	7,000,000
Dividend paid		-	6,894,782
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>-</u>	<u>105,218</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

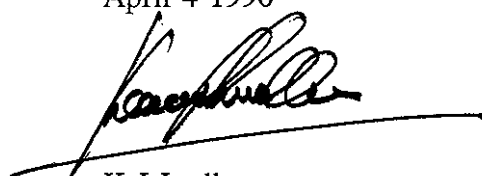
There are no recognised gains or losses for the year ended 30 September 1995 (profit of £7,000,000 in the year to 30 September 1994).

UDS HOLDINGS (1) LIMITED

BALANCE SHEET - 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
FIXED ASSETS			
Investments	4	185,373,000	185,373,000
CURRENT ASSETS			
Amounts owed by subsidiary undertakings	5	8,361,884	8,361,884
CREDITORS-amounts falling due within one year			
Amounts owed to group undertakings	5	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	6	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 4 1996


K J Ludlam
Director

UDS HOLDINGS (1) LIMITED

NOTES ON THE ACCOUNTS - 30 SEPTEMBER 1995

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	OPERATING INCOME	<u>1995</u> £	<u>1994</u> £
	Income from shares in group undertakings	<u>-</u>	<u>7,000,000</u>

3 TAXATION

There is no charge to corporation tax (1994 - £nil).

4	FIXED ASSET INVESTMENTS	£
	Shares in subsidiary undertakings at cost: At 30 September 1994 and 1995	<u>185,503,000</u>
	Provisions for diminution in value: At 30 September 1994 and 1995	<u>130,000</u>
	Net book amounts: At 30 September 1994 and 1995	<u>185,373,000</u>

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 1995

5 GROUP UNDERTAKINGS

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

6 CALLED UP SHARE CAPITAL

	<u>Authorised</u> <u>1995 and 1994</u>	<u>Allotted, called up</u> <u>and fully paid</u> <u>1995 and 1994</u>
Ordinary shares of £1 each	<u>£1,000,000</u>	<u>£102</u>

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit attributable to shareholders	-	7,000,000
Dividend paid	-	(6,894,782)
Net movement in shareholders' funds	-	105,218
Opening shareholders' funds	186,429,000	186,323,782
Closing shareholders' funds	<u>186,429,000</u>	<u>186,429,000</u>

8 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.