

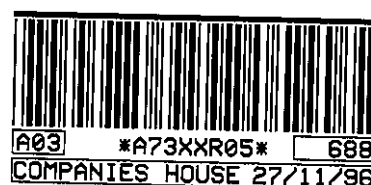
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HANSON OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

31 MARCH 1996



HANSON OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT

Directors: A J H Dougal
G Dransfield
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 31 March 1996.

PRINCIPAL ACTIVITIES

The company is an investment holding company. In May 1995 the company sold its investment in Carisbrook Industries Inc for £78.7 million. In March 1996, as part of a reorganisation in respect of the Hanson PLC demerger programme, the company disposed of the majority of its subsidiaries to Hanson Holdings (1) Limited, a fellow subsidiary undertaking.

RESULTS AND DIVIDENDS

The profit for the period attributable to shareholders amounted to £1,282,823,152 and is dealt with as shown in the profit and loss account. Dividends of £80,018,000 having been paid in the year, the directors do not recommend the payment of a final dividend for the period under review.

DIRECTORS

The directors shown at the head of this report are currently in office. On 31 May 1995 W M Landuyt resigned from the board and A J H Dougal was appointed a director. P Spencer resigned from the board on January 5, 1996. D C Bonham and A J H Dougal resigned from the board on March 21, 1996 and A J H Dougal was re-appointed a director on May 22, 1996. There were no other directors during the period under review.

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 period 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.

AUDITORS

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

HANSON OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. 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
May 22, 1996

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

We have audited the accounts on pages 5 to 10 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 31 March 1996 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

May 22, 1996

HANSON OVERSEAS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 March 1996

	<u>Note</u>	<u>12 months</u> <u>1996</u> £	<u>6 Months</u> <u>1995</u> £
Income from shares in group undertakings		1,061,909,355	10,093,280
Bank interest receivable/(payable)		67,220	(117,155)
Interest receivable from group undertakings		204,578,848	90,444,112
Interest payable to fellow subsidiary undertakings		(21,114,188)	(9,509,534)
Other operating income/(charges)	2	973,474	(18)
Provision against fixed asset investment		(300,000,000)	-
OPERATING PROFIT		<u>946,414,709</u>	<u>90,910,685</u>
Exceptional items:			
Profit/(loss) on disposal of fixed asset investments		357,156,483	(138)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>1,303,571,192</u>	<u>90,910,547</u>
Taxation	4	(20,748,040)	15,413,003
PROFIT FOR THE PERIOD		<u>1,282,823,152</u>	<u>106,323,550</u>
Dividend-interim paid		(80,018,000)	-
RETAINED PROFIT		<u>£1,202,805,152</u>	<u>£106,323,550</u>

Movements in reserves are set out in note 10.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED MARCH 31, 1996

	<u>1996</u> £	<u>1995</u> £
Profit on ordinary activities after taxation	1,282,823,152	106,323,550
Currency translation differences	166,017,908	(186,508,139)
Total recognised gains and losses for the period	<u>1,448,841,060</u>	<u>(80,184,589)</u>

HANSON OVERSEAS HOLDINGS LIMITED

BALANCE SHEET - 31 MARCH 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Investments	5	4,381,590,550	12,342,491,752
CURRENT ASSETS			
Debtors:			
Amounts owed by subsidiary undertakings		16,000,000	17,204,901
Amounts owed by fellow subsidiary undertakings (Nil due after more than one year [1995 - 106,381,148])		7,916,218,897	106,381,148
Amount owed by ultimate parent undertaking [Amount due after more than one year £648,088,802 (1995-£2,614,753,924)]	6	3,313,983,496	3,077,929,136
		<u>11,246,202,393</u>	<u>3,201,515,185</u>
CREDITORS: amounts falling due within one year			33,038
Bank overdraft		11,803,090	11,366,256
Interest owed to subsidiary undertakings		1,025,738,796	2,275,592,444
Amounts owed to fellow subsidiary undertakings		-	2
Sundry creditors		<u>1,037,541,886</u>	<u>2,286,991,740</u>
		<u>10,208,660,507</u>	<u>914,523,445</u>
NET CURRENT ASSETS		<u>14,590,251,057</u>	<u>13,257,015,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS-amounts falling due after more than one year	7	231,744,313	268,478,513
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	12,642,000	11,495,000
		<u>244,386,313</u>	<u>279,973,513</u>
		<u>£14,345,864,744</u>	<u>£12,977,041,684</u>
CAPITAL AND RESERVES			
Called up share capital	9	13,012,659	13,012,659
Share premium account	10	12,999,646,833	12,999,646,833
Profit and loss account		1,333,205,252	(35,617,808)
		<u>£14,345,864,744</u>	<u>£12,977,041,684</u>
EQUITY SHAREHOLDERS' FUNDS			

Approved by the Board of Directors on
May 22, 1996


K J Ludlam
Director

HANSON OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1996

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.

(c) Deferred taxation

Provision is made for deferred taxation using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

(d) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at the period end rate of exchange. Exchange differences arising on long term foreign currency borrowings and foreign currency investments are taken to reserves.

2 OTHER OPERATING INCOME/(CHARGES)

	<u>(12 months)</u> <u>1996</u>	<u>(6 months)</u> <u>1995</u>
	<u>£</u>	<u>£</u>
Exchange gains	973,479	-
Bank charges	(5)	(18)
	<u>973,474</u>	<u>(18)</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>(12 months)</u> <u>1996</u>	<u>(6 months)</u> <u>1995</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.

4 TAXATION

	<u>(12 months)</u> <u>1996</u>	<u>(6 months)</u> <u>1995</u>
	<u>£</u>	<u>£</u>
The (charge)/credit for the period comprises:		
Tax on franked investment income	(2,504,500)	-
Prior year adjustment	-	350,003
Deferred tax	(1,147,000)	15,063,000
Withholding tax on foreign dividend	(17,096,540)	-
	<u>(£20,748,040)</u>	<u>£15,413,003</u>

HANSON OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1996

5 FIXED ASSET INVESTMENTS

	£
Shares in subsidiary undertakings at cost:	
At March 31, 1995	12,680,921,752
Exchange difference	237,510,261
Additions	64,806
Disposals	(8,236,906,269)
	<u>£4,681,590,550</u>
At 31 March 1996	
Provision for diminution in value:	
At 31 March 1995	£338,430,000
Charge in year	300,000,000
Provision released in disposal	(338,430,000)
At 31 March 1996	<u>£300,000,000</u>
Net Book value:	
At 31 March 1996	<u>£4,381,590,550</u>
At 31 March 1995	<u>£12,342,491,752</u>

The directly held subsidiary undertakings at 31 March 1996, both of which were wholly owned were:

	<u>Incorporated</u>	<u>Business</u>
SCM Chemicals Limited	<u>In</u> England & Wales	Chemical manufacture
HM Anglo-American Corp	USA	Group holding company

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. The accounts present information about the company as an individual undertaking.

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.

6 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amount due by parent undertaking:		
Due within one year	2,665,894,694	463,175,212
Due after more than one year	648,088,802	2,614,753,924
	<u>£3,313,983,496</u>	<u>£3,077,929,136</u>

The amount due after more than one year bears interest at market rates and is repayable two years from the inception of the loan.

HANSON OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1996

7 CREDITORS - amounts falling due after more than one year

	<u>1996</u> £	<u>1995</u> £
Amounts owed to fellow subsidiary undertakings	231,744,313	123,463,910
Amounts owed to subsidiary undertakings	-	145,014,603
	<u>231,744,313</u>	<u>268,478,513</u>

The amounts due to subsidiary undertakings bear interest at market rates and are not repayable before 31 March 1997.

8 DEFERRED TAXATION

The movements in deferred taxation during the year were:

	£
At March 31, 1995	11,495,000
Charge for the year	1,147,000
At March 31, 1996	<u>12,642,000</u>

Deferred taxation is fully provided in respect of short term timing differences.

9 SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
At 31 March 1996 and 31 March 1995		
Ordinary shares of £1 each	<u>£15,000,000</u>	<u>£13,012,659</u>

10 PROFIT AND LOSS ACCOUNT

	£
At 31 March 1995 - adverse balance	(35,617,808)
Profit for the year	1,202,805,152
Exchange fluctuations	166,017,908
At 31 March 1996	<u>£1,333,205,252</u>

HANSON OVERSEAS HOLDINGS LIMITED

11 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1996</u> £	<u>1995</u> £
Profit attributable to shareholders	1,282,823,152	106,323,550
Dividend	(80,018,000)	-
	<u>1,202,805,152</u>	<u>106,323,550</u>
Exchange fluctuation	166,017,908	(186,508,139)
	<u>1,368,823,060</u>	<u>(80,184,589)</u>
Net increase/(reduction) in shareholders' funds	12,977,041,684	13,057,226,273
Opening shareholders' funds	<u>£14,345,864,744</u>	<u>£12,977,041,684</u>
Closing shareholders' funds		

12 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.