

**BB Investments (formerly Butterley
Brick Investments No 1 Limited)**

Report and Accounts

30 April 1995

 ERNST & YOUNG



BB Investments (formerly Butterley Brick Investments (No 1) Limited)

Registered No. 2534721

DIRECTORS

G H MacLean
S C Barre

SECRETARY

Trusec Limited

AUDITORS

Ernst & Young
Lowgate House
Lowgate
Hull HU1 1JJ

REGISTERED OFFICE

36 Basinghall Street
London EC2V 5DB

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the 7 month period ended 30 April 1995.

STATUS

On 25 May 1995 the company was re-registered as an unlimited company and on 15 August 1995 changed its name to BB Investments.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The profit for the period amounted to £8,251,215 and is dealt with as shown in the profit and loss account. The directors recommend the payment of a final dividend of £14,213,474 for the period ended 30 April 1995.

On 30 May 1995 an interim dividend of £178,861 was paid. All dividends were paid to the 'A' and 'B' shareholders only.

SHARE CAPITAL

On 28 November 1994, the issued 1,000,000 ordinary shares of £1 each were re-designated "A" ordinary shares of £1 each and the remaining unissued 4,000,000 ordinary shares of £1 each were re-designated "B" ordinary shares of £1 each. On the same date the issued share capital was increased by the allotment of 875,000 "B" ordinary shares of £1 each for cash at par.

On 25 May 1995 450,000 issued "A" ordinary shares were re-designated as "C" ordinary shares of £1 each. On 30 May 1995, all of the 550,000 "A" shares and 875,000 "B" shares were re-purchased from share premium account and cancelled.

FIXED ASSET INVESTMENT

On 28 April 1995 the company sold its investment in 12.5% cumulative redeemable preference shares in Butterley Brick Limited for £34,347,199 to its ultimate parent undertaking.

DIRECTORS AND THEIR INTERESTS

The directors currently in office are those listed on page 1.

On 31 May 1995 G Dransfield, W M Landuyt and M C Murray resigned from the board and S C Barre and G H MacLean were appointed as directors. There were no other directors during the period.

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

Ordinary shares

	<i>30 April 1995</i>	<i>1 October 1994</i>
M C Murray	5,600	5,600

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

Options to subscribe for ordinary shares

	1 October 1994	Granted	Exercised	30 April 1995	Weighted average price of outstanding options	Exercise dates
M C Murray	130,768	40,000	-	170,768	193.8p	1989 - 2004

No options lapsed during the period. Options granted during the period were at a subscription price of 228.5p. The market price of the shares at 28 April 1995 was 235.5p and the range during the period under review was 219.5p to 245.5p.

There were no other notifiable interests.

Full details of directors' shareholdings and options to subscribe for shares are given in the company's Register of Directors' Interests which is open to inspection.

ANNUAL GENERAL MEETINGS

Pursuant to the Elective Resolution of the company passed on 2 March 1992, 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.

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 of the company 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; and
- 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.

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



S C Barre
Director

29 May 1996

REPORT OF THE AUDITORS**to the members of BB Investments (formerly Butterley Brick Investments (No 1) Limited)**

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

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.

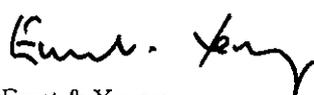
Basis of opinion

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



Ernst & Young
Chartered Accountants
Registered Auditor
Hull

29 May 1996

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

PROFIT AND LOSS ACCOUNT for the 7 months ended 30 April 1995

	<i>Notes</i>	<i>1995</i> <i>(7 months)</i> £	<i>1994</i> <i>(12 months)</i> £
Interest receivable from group undertaking		300,458	442,505
Gain on disposal of fixed asset investment		8,049,908	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	8,350,366	442,505
Taxation charge	3	99,151	146,026
PROFIT FOR THE PERIOD		8,251,215	296,479
Dividends		14,213,474	-
(LOSS)/PROFIT FOR THE PERIOD		(5,962,259)	296,479

Movements in reserves are set out in note 7.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the 7 month period ended 30 April 1995 of £8,251,215 (profit of £296,479 in the year ended 30 September 1994).

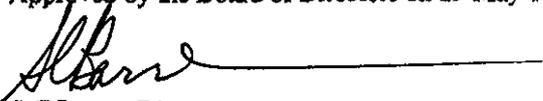
BB Investments (formerly Butterley Brick Investments (No 1) Limited)

BALANCE SHEET

at 30 April 1995

	Notes	30 April 1995 £	30 September 1994 £
FIXED ASSETS			
Investment	4	-	26,297,291
CURRENT ASSETS			
Amount due from ultimate parent undertaking		41,992,978	6,470,321
CREDITORS: amounts falling due within one year			
Corporation tax		579,727	362,036
Dividend		14,213,474	-
		<u>14,793,201</u>	<u>362,036</u>
NET CURRENT ASSETS		<u>27,199,777</u>	<u>6,108,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27,199,777</u>	<u>32,405,576</u>
PROVISION FOR LIABILITIES AND CHARGES	5	27,486	146,026
TOTAL ASSETS LESS LIABILITIES		<u><u>27,172,291</u></u>	<u><u>32,259,550</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	1,875,000	1,000,000
Share premium		25,297,291	25,297,291
Profit and loss account	7	-	5,962,259
EQUITY SHAREHOLDERS' FUND		<u><u>27,172,291</u></u>	<u><u>32,259,550</u></u>

Approved by the Board of Directors on 29 May 1996


S C Barre - Director

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

NOTES TO THE ACCOUNTS at 30 April 1995

1. ACCOUNTING POLICIES

Accounting convention

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

Fixed asset investments

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

Deferred taxation

Deferred taxation is provided on the liability method in respect of timing differences except where the liability is not expected to arise in the foreseeable future.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1995 (7 months) £	1994 (12 months) £
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

	1995 (7 months) £	1994 (12 months) £
The charge/(credit) for the period comprises:		
Corporation tax at 33%	217,691	362,036
Transfer (from) deferred taxation	(118,540)	(216,010)
	<u> </u>	<u> </u>
	99,151	146,026
	<u> </u>	<u> </u>

4. FIXED ASSET INVESTMENTS

	£
Preference shares in fellow subsidiary undertaking at cost:	
At 30 September 1994	26,297,291
Disposals	(26,297,291)
	<u> </u>
At 30 April 1995	-
	<u> </u>

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

NOTES TO THE ACCOUNTS at 30 April 1995

5. PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

	£
At 1 October 1994	146,026
Release for the period	(118,540)
At 30 April 1995	<u>27,486</u>

Deferred taxation is fully provided on short-term timing differences.

6. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>30 April 1995</i>	<i>30 September 1994</i>	<i>30 April 1995</i>	<i>30 September 1994</i>
	£	£	£	£
Ordinary shares of £1 each	-	5,000,000	-	1,000,000
"A" Ordinary shares of £1 each	1,000,000	-	1,000,000	-
"B" Ordinary shares of £1 each	4,000,000	-	875,000	-
	<u>5,000,000</u>	<u>5,000,000</u>	<u>1,875,000</u>	<u>1,000,000</u>

On 28 November 1994, the issued 1,000,000 ordinary shares of £1 each were re-designated "A" ordinary shares of £1 each and the remaining unissued 4,000,000 ordinary shares of £1 each were re-designated "B" ordinary shares of £1 each. On the same date the issued share capital was increased by the allotment of 875,000 "B" ordinary shares of £1 each for cash at par.

On 25 May 1995 450,000 issued "A" ordinary shares were re-designated as "C" ordinary shares of £1 each. On 30 May 1995, all of the 550,000 "A" shares and 875,000 "B" shares were re-purchased from share premium account and cancelled.

The "A", "B" and "C" shares ranked pari passu in all respects with each other save that the "A" and "B" shares had preferential dividend rights.

7. PROFIT AND LOSS ACCOUNT

	£
At 30 September 1994	5,962,259
Loss for the period	(5,962,259)
At 30 April 1995	<u>-</u>

BB Investments (formerly Butterley Brick Investments (No 1) Limited)

NOTES TO THE ACCOUNTS

at 30 April 1995

8. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<i>1995</i> <i>(7 months)</i> £	<i>1994</i> <i>(12 months)</i> £
Issue of share capital	875,000	-
Profit attributable to shareholders	8,251,215	296,479
Dividend	(14,213,474)	-
Opening shareholders' funds	32,259,550	31,963,071
Closing shareholders' funds	<u>27,172,291</u>	<u>32,259,550</u>

9. POST BALANCE SHEET EVENTS

On 31 May 1995 the company was one of a group of undertakings demerged from the control of Hanson PLC and the ultimate parent undertaking became US Industries Inc, a company registered in Delaware, USA.

10. GROUP ACCOUNTS

At the balance sheet date, the parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company was a member was Hanson PLC, registered in England and Wales. Hanson PLC was also the ultimate parent undertaking. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH and US Industries Inc from 101 Wood Avenue South, Iselin, New Jersey, NJ 08830, USA.