

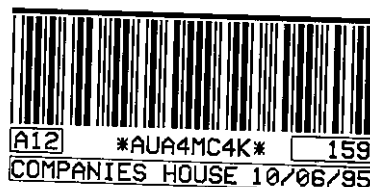
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NO: 2534721

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1994



BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

DIRECTORS' REPORT

Directors G Dransfield
 M C Murray
 W M Landuyt

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 company.

RESULTS AND DIVIDENDS

The profit for the year amounted to £296,479 and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend for the year.

POST BALANCE SHEET EVENTS

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 cash at par.

DIRECTORS

The directors shown at the head of this report are currently in office and served throughout the year under review.

There were no other directors during the year.

ANNUAL GENERAL MEETING

Pursuant to the Elective Resolution of the company passed on 13 September 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.

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

Ordinary shares

	<u>Balance at 30 September 1994</u>	<u>Balance at 1 October 1993</u>
M C Murray	5,600	10,900

There were no other notifiable interests.

Options to subscribe for ordinary shares

	<u>At 1 October 1993</u>	<u>Granted</u>	<u>At 30 September Exercised 1994</u>
M C Murray	130,768	-	- 130,768

Details of options exercised and exercisable

	<u>Number of ordinary shares</u>	<u>Exercise price</u>	<u>Market price</u>	<u>Weighted average price of outstanding options</u>	<u>Exercise dates</u>
M C Murray	-	-	-	183.2p	1993-2002

No options lapsed during the year. The market price of the shares at 30 September 1994 was 228.0p and the range during the financial year was 228.0p to 299.5p.

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.

BUTTERLEY BRICK INVESTMENTS (NO 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
7 April 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF 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 4, 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.

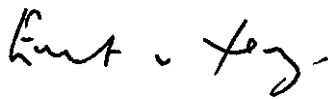
BASIS OF OPINION

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

7 April 1995

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 30 SEPTEMBER 1994**

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
Interest receivable from group undertaking		442,505	1,097,079
Bank charges		-	(6)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	442,505	1,097,073
Taxation	3	146,026	362,036
		<hr/>	<hr/>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£296,479</u>	<u>£735,037</u>

Movements in reserves are set out in note 7.

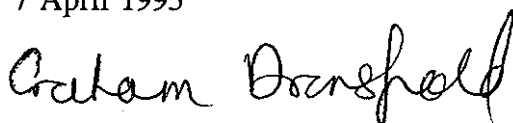
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of £296,479 in the year ended 30 September 1994 (profit of £735,037 in the year ended 30 September 1993).

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED**BALANCE SHEET - 30 SEPTEMBER 1994**

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
FIXED ASSETS			
Investment	4	26,297,291	26,297,291
CURRENT ASSETS			
Amount due from ultimate parent undertaking		6,470,321	9,314,976
CREDITORS: amounts falling due within one year			
Corporation tax		362,036	-
Amount due to group undertaking		-	3,287,160
		<u>362,036</u>	<u>3,287,160</u>
NET CURRENT ASSETS		<u>6,108,285</u>	<u>6,027,816</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,405,576	32,325,107
PROVISION FOR LIABILITIES AND CHARGES	5	146,026	362,036
TOTAL ASSETS LESS LIABILITIES		<u>£32,259,550</u>	<u>£31,963,071</u>
CAPITAL AND RESERVES			
Called up share capital	6	1,000,000	1,000,000
Share premium account		25,297,291	25,297,291
Profit and loss account	7	5,962,259	5,665,780
Equity shareholders' funds		<u>£32,259,550</u>	<u>£31,963,071</u>

Approved by the Board of Directors on
7 April 1995



G Dransfield
Director

BUTTERLEY BRICK INVESTMENTS (NO 1) 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.

c) 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:

	<u>1994</u>	<u>1993</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>
	£	£
Corporation tax at 33%	362,036	-
Transfer (from)/to deferred taxation	(216,010)	362,036
	<u>£146,026</u>	<u>£362,036</u>

4 FIXED ASSET INVESTMENTS

Preference shares in fellow subsidiary undertaking at cost:
At 30 September 1993 and 1994

£26,297,291

The investment represents 12.5% cumulative redeemable preference shares in Butterley Brick Limited which is a brick manufacturing company and is registered in England and Wales. In the opinion of the directors the value of the company's investment is not less than the amount at which it is stated in the balance sheet.

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

5 PROVISION FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
At 1 October 1993	362,036
Transfer to current profit and loss account	(216,010)
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At September 1994	<u>£146,026</u>

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

6 SHARE CAPITAL

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

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
Ordinary shares of £1 each	<u>£5,000,000</u>	<u>£1,000,000</u>

7 PROFIT AND LOSS ACCOUNT

	£
At 30 September 1993	5,665,780
Profit for the year	296,479
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At 30 September 1994	<u>£5,962,259</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	£	£
Profit attributable to shareholders	296,479	735,037
Opening shareholders' funds	31,963,071	31,228,034
	<hr/>	<hr/>
Closing shareholders' funds	<u>32,259,550</u>	<u>31,963,071</u>

BUTTERLEY BRICK INVESTMENTS (NO 1) LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

9 POST BALANCE SHEET EVENTS

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 cash at par.

10 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.