

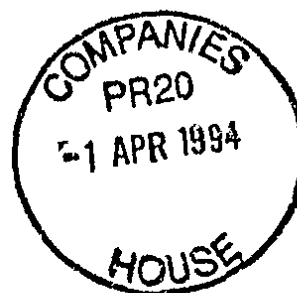
NO: 2562811

HANSON FUNDING (B) PLC

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1993



HANSON FUNDING (B) PLC

DIRECTORS' REPORT

Directors: G Dransfield
K J Ludlam
M C Murray

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 1993.

PRINCIPAL ACTIVITY

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

RESULT AND DIVIDENDS

The loss for the year attributable to shareholders amounted to £8 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.

DIRECTORS

The directors shown at the head of this report are currently in office. On 24 September 1993 D C Bonham and P Spencer resigned from the board and M C Murray was appointed a director. The remaining directors served throughout the year under review.

There were no other directors during the year.

DIRECTORS' INTERESTS

The only declarable interests of the directors were in the share capital of Hanson PLC, the ultimate parent undertaking, as follows:

	<u>Ordinary Shares</u>		<u>Ordinary Share Options</u>	
	<u>30 September 1993</u>	<u>1 October 1992</u> <u>(or later date</u> <u>of appointment)</u>	<u>Granted</u> <u>During the year</u>	<u>(Exercised)</u>
K J Ludlam	121,040	120,300	3,737	(Nil)
M C Murray	10,900	10,900	Nil	(Nil)

There were no other notifiable interests.

HANSON FUNDING (B) PLC

DIRECTORS' REPORT - continued

AUDITORS

Ernst & Young, having expressed their willingness to continue in office, a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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
24 March 1994

REPORT OF THE AUDITORS TO THE MEMBERS OF HANSON FUNDING (B) PLC

We have audited the accounts on pages 5 to 9 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 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor

Hull

24 March 1994

HANSON FUNDING (B) PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1993

	<u>Note</u>	<u>1993</u> £	<u>1992</u> £
Interest receivable	2	-	82,090,922
Interest payable	3	-	(36,494,098)
Other operating charges		(8)	(30,733)
Other operating income - exchange fluctuations		-	27,685,863
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(8)	73,251,954
Taxation	5	-	-
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(8)	73,251,954
DIVIDEND-interim paid		-	(50,000,000)
		<hr/>	<hr/>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£ (8)</u>	<u>£23,251,954</u>

Movements on reserves are set out in note 8.

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss for the financial year of £8 in the year ended 30 September 1993 (profit of £73,251,954 (as restated) for the year ended 30 September 1992).

NOTES ON PRIOR YEAR ADJUSTMENT:

	£
Total recognised gains and losses related to the year (as above)	(8)
Prior year adjustment (as explained in note 8)	21,752,558
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Total gains and losses recognised since last annual report	<u>£21,752,550</u>

HANSON FUNDING (B) PLC

BALANCE SHEET - 30 SEPTEMBER 1993

	<u>Note</u>	<u>1993</u> £	<u>1992</u> £
CURRENT ASSETS			
Debtors	6	173,239,446	73,251,961
Cash at Bank		-	99,987,500
		<u>173,239,446</u>	<u>173,239,461</u>
CREDITORS: amounts falling due within one year			
Amount due to fellow subsidiary undertaking		49,987,500	49,987,500
Bank overdraft		-	7
		<u>49,987,500</u>	<u>49,987,507</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£123,251,946</u>	<u>£123,251,954</u>
CAPITAL AND RESERVES			
Called-up share capital	7	100,000,000	100,000,000
Profit and loss account	8	23,251,946	23,251,954
		<u>£123,251,946</u>	<u>£123,251,954</u>


K J Ludlam
Director

Approved by the Board of Directors on
24 March 1994

HANSON FUNDING (B) PLC

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1993

1 ACCOUNTING POLICIES

Accounting Convention

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. All monetary assets and liabilities are translated at year-end exchange rates and the resulting exchange differences are dealt with in the determination of profit for the financial year.

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 INTEREST RECEIVABLE

	<u>1993</u>	<u>1992</u>
	£	£
Interest from group undertakings	-	82,049,342
Bank interest	-	41,580
	<u>£ -</u>	<u>£82,090,922</u>

3 INTEREST PAYABLE

	<u>1993</u>	<u>1992</u>
	£	£
Bank loans and short-term promissory notes	<u>£ -</u>	<u>£36,494,098</u>

HANSON FUNDING (B) PLC

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1993

4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>1993</u>	<u>1992</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.

5 TAXATION

There is no charge to taxation for the year due to the loss incurred.

6 DEBTORS

	<u>1993</u>	<u>1992</u>
	£	£
Amount due from ultimate parent undertaking	<u>£173,239,446</u>	<u>£73,251,961</u>

There are no formal agreements for the repayment of amounts due from group undertakings.

7 SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up</u>
	<u>1993 and 1992</u>	<u>and 25p paid</u>
	£	£
Ordinary shares of £1 each	<u>1,000,000,000</u>	<u>100,000,000</u>

HANSON FUNDING (B) PLC

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1993

8 PROFIT AND LOSS ACCOUNT

£

At 30 September 1992:	
As previously reported	1,499,396
Prior year adjustment	21,752,558
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As restated	23,251,954
Loss for the year	(8)
	<hr/>
At 30 September 1993	<u>£23,251,946</u>

The prior year adjustment represents a correction of the accounting for interest received from group undertakings.

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1993</u>	<u>1992</u>
	£	£
(Loss)/profit attributable to members of the company	(8)	73,251,954
Dividends	-	(50,000,000)
	<hr/>	<hr/>
	-	23,251,954
	<hr/>	<hr/>
New share capital subscribed	-	99,987,500
	<hr/>	<hr/>
Net (reduction in)/addition to shareholders' funds	(8)	123,239,454
Opening shareholders' funds	123,251,954	12,500
	<hr/>	<hr/>
Closing shareholders' funds	<u>£123,251,946</u>	<u>£123,251,954</u>

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.