

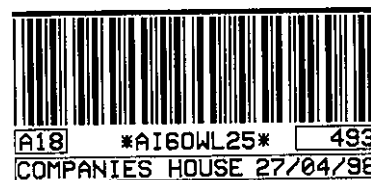
NO: 2582811

HANSON FUNDING (B) PLC

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1995



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 1995.

RESULT AND DIVIDENDS

The company did not trade during the year. 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 and served throughout the year under review. 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.

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.

HANSON FUNDING (B) PLC

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

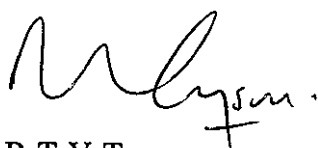
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- 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 HANSON FUNDING (B) PLC

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 policy 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.

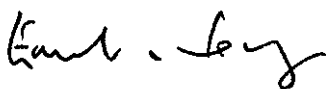
BASIS OF OPINION

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

HANSON FUNDING (B) PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	-
Taxation	3	-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
DIVIDEND-interim paid		-	(20,000,000)
		<hr/>	<hr/>
RESULT FOR THE FINANCIAL YEAR		<u>-</u>	<u>(20,000,000)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses in the year ended 30 September 1995 (£nil for the year ended 30 September 1994).

HANSON FUNDING (B) PLC

BALANCE SHEET - 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Debtors	4	173,239,446	173,239,446
CREDITORS: amounts falling due within one year			
Amount due to immediate parent undertaking		69,987,500	69,987,500
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>103,251,946</u>	<u>103,251,946</u>
CAPITAL AND RESERVES			
Called-up share capital	5	100,000,000	100,000,000
Profit and loss account		3,251,946	3,251,946
Equity shareholders' funds		<u>103,251,946</u>	<u>103,251,946</u>

Approved by the Board of Directors on
April 4 1996



K J Ludlam
Director

HANSON FUNDING (B) PLC

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1995

1 ACCOUNTING POLICY

Accounting Convention

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

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>1995</u>	<u>1994</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

There is no charge to taxation for the year (1994-£nil).

3 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Amount due from ultimate parent undertaking	<u>£173,239,446</u>	<u>£173,239,446</u>

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

4 SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up and 25p paid</u>
	<u>1995 and 1994</u>	<u>1995 and 1994</u>
	£	£
Ordinary shares of £1 each	<u>1,000,000,000</u>	
400,000,000 ordinary shares of £1 each		<u>100,000,000</u>

HANSON FUNDING (B) PLC

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1995

5 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit attributable to members of the company	-	-
Dividends	-	(20,000,000)
	<hr/>	<hr/>
Net reduction in shareholders' funds	-	(20,000,000)
Opening shareholders' funds	<u>103,251,946</u>	<u>123,251,946</u>
Closing shareholders' funds	<u>103,251,946</u>	<u>103,251,946</u>

6 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.