

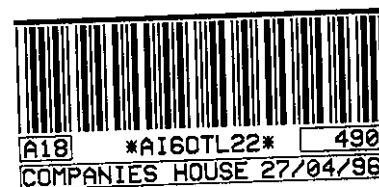
NO: 2582819

HANSON FUNDING (H) PLC
(formerly Hanson Finance (UK) PLC)

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

30 SEPTEMBER 1995



HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) PLC)

DIRECTORS' REPORT

Directors: G Dransfield
K J Ludlam
A J H Dougal

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.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a group finance company. The company commenced trading in commercial paper on 3 October 1994, and ceased trading in June 1995.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £19,159,354 and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend.

CHANGE OF NAME

The company changed its name from Hanson Finance (UK) PLC to Hanson Funding (H) PLC on 31 March 1995.

DIRECTORS

The directors shown at the head of this report are currently in office. G Dransfield and K J Ludlam served throughout the year under review, W M Landuyt resigned from the board on May 31, 1995 and A J H Dougal was appointed on May 31, 1995. P Spencer, who served throughout the year under review, resigned from the board on January 5, 1996.

There were no other directors during the year.

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.

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.

HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) 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 (H) PLC (formerly Hanson Finance (UK) 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.

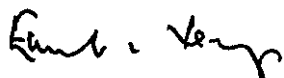
BASIS OF OPINION

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 the 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

April 4 1996

HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) PLC)

PROFIT AND LOSS ACCOUNT - 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
Bank interest receivable			-
Interest receivable from group undertakings		78,969,693	-
Other operating income	2	16,851,210	-
Interest payable	3	(75,376,859)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,444,044	-
Taxation	4	(1,284,690)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		19,159,354	-
Dividends		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£19,159,354</u>	<u>£ -</u>

Movements on 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 financial year of £19,159,354 in the year ended 30 September 1995 (£nil in the year ended 30 September 1994).

HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) PLC)

BALANCE SHEET - 30 SEPTEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Debtors	5	<u>119,159,354</u>	<u>100,000,000</u>
NET CURRENT ASSETS		<u>£119,159,354</u>	<u>£100,000,000</u>
CAPITAL AND RESERVES			
Called-up share capital	6	100,000,000	100,000,000
Profit and loss account	7	<u>19,159,354</u>	<u>-</u>
Equity shareholders' funds		<u>£119,159,354</u>	<u>£100,000,000</u>

Approved by the Board of Directors on
April 4 1996

Graham Dransfield

G Dransfield
Director

HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) PLC)

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1995

1 ACCOUNTING POLICY

Accounting Convention

The accounts are 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 OTHER OPERATING INCOME

This is stated after crediting/(charging):

	<u>1995</u>	<u>1994</u>
	£	£
Foreign currency fluctuation	16,854,628	-
Bank charges	(3,418)	-
Auditors' remuneration	-	-
Directors' remuneration	-	-
	<u>16,851,210</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 possible to ascertain what proportion of such fees relates to the company.

3 INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
Bank loans and short term promissory notes	75,376,859	-

HANSON FUNDING (H) PLC (formerly Hanson Finance (UK) PLC)

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1995

4 TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
Group relief	<u>1,284,690</u>	<u>-</u>

5 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Amount due from ultimate parent undertaking	<u>119,159,354</u>	<u>100,000,000</u>

6 SHARE CAPITAL

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

7 PROFIT AND LOSS ACCOUNT

	£
At 30 September 1994	-
Retained profit for the year	<u>19,159,354</u>
At 30 September 1995	<u>19,159,354</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit attributable to members of the company	19,159,354	-
New share capital subscribed	-	<u>99,987,500</u>
Net addition to shareholders' funds	<u>19,159,354</u>	<u>99,987,500</u>
Opening shareholders' funds	<u>100,000,000</u>	<u>12,500</u>
Closing shareholders' funds	<u>119,159,354</u>	<u>100,000,000</u>

9 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.