NO: 2904942

SQ CORPORATION LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

31 MARCH 1996

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DIRECTORS' REPORT

Directors	M C Murray S J Hurrell K J Ludlam
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 31 March 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an investment holding company. The company did not trade during the year and consequently the accounts consist of a balance sheet only.

DIRECTORS

The directors shown at the head of this report are currently in office. K J Ludlam was appointed a director on September 29, 1995 and the remaining directors served throughout the year under review. There were no other directors during the year.

DIRECTORS' INTERESTS

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

				Share Options	
	1 April 1995	Ordinary Share Options Granted	Excercise Price	31 March 1996	Weighted Average
S J Hurrell	11,000	39,000	189.5p	50,000	198.1p

At the balance sheet date SJ Hurrell had contingent rights in 469 ordinary shares and a non-beneficial interest in 1,130,043 ordinary shares.

ANNUAL GENERAL MEETINGS

Pursuant to an Elective Resolution of the company passed on September 29, 1994, 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.

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; 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.

By order of the Board

R T V Tyson
Secretary

September 20, 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF SQ CORPORATION LIMITED

We have audited the accounts on pages 5 and 6 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

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.

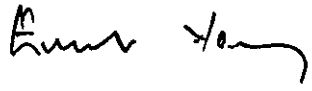
BASIS OF OPINION

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 31 March 1996 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor

Hull

September 20, 1996

SQ CORPORATION LIMITED

BALANCE SHEET - 31 MARCH 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Investment in subsidiary undertakings	2	£2,246,371,955	£2,426,371,955
CAPITAL AND RESERVES			
Called-up equity share capital	3	374,382	374,382
Share premium account	4	2,425,997,573	2,425,997,573
EQUITY SHAREHOLDERS' FUNDS		£2,426,371,955	£2,426,371,955

Approved by the Board of Directors
September 20, 1996

K J Ludlam
Director

NOTES TO THE ACCOUNTS - 31 MARCH 1996

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 provisions for diminution in value.

2 FIXED ASSET INVESTMENTS

Shares in subsidiary undertakings at cost:

At 31 March 1996 and 31 March 1995	£2,426,371,955

The company's investment is in SQ Finance No1 Limited, a direct wholly owned subsidiary undertaking registered in England, and which is an investment holding company.

The company is a wholly-owned subsidiary of a body incorporated in the European Union and advantage has been taken of Section 228 of the Companies Act 1985 in that consolidated accounts have not been prepared. In the opinion of the directors, the value of the company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

3 SHARE CAPITAL

At 31 March 1996 and 1995 the share capital of the company was:

	Authorised	Allotted, called up and fully paid
	£	£
"A" Ordinary shares of £1 each	3,000	2,426
"B" Ordinary shares of £1 each	372,000	371,956
	375,000	374,382

4 SHARE PREMIUM ACCOUNT

At 31 March 1996 and 1995	£2,425,997,573

5 PROFIT AND LOSS ACCOUNT

The company did not trade during the period and consequently the accounts consist of a balance sheet only.

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.