

NO:3247530

HANSON HOLDINGS (2) LIMITED
(Formerly Graspacross Limited)

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE PERIOD OF 16 MONTHS ENDED

31 DECEMBER 1997



HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

DIRECTORS' REPORT

Directors: G Dransfield
S J Hurrell
K J Ludlam

Secretary: P D Tunnacliffe

Registered Office: 1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts of the company for the 16 months ended 31 December 1997.

NAME

The company was incorporated as Graspacross Limited on 9 September 1996 and changed its name to Hanson Holdings (2) Limited on 18 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is that of an investment holding company

ACCOUNTS

The company has not traded during the period, and consequently the accounts consist of a balance sheet only.

SHARE CAPITAL

On incorporation the authorised capital was £1,000 divided into 1,000 shares of £1 each. The two subscriber shares were paid up in cash on 18 December, 1996. The authorised share capital was increased on February 7 1997 to £300,000 and the shares were redesignated as 225,000 "B" shares of £1 each and 75,000 "A" shares of £1 each. The two subscriber shares were redesignated "B" shares. 199,000 "B" shares were issued at nil premium and 66,305 "A" shares of £1 each were issued for a premium of 662,782,924.

DIRECTORS

The directors shown at the head of this report are currently in office. Changes during the period under review were:-

	<u>Appointed</u>	<u>Resigned</u>
Instant Companies Limited	9 September 1996	24 September 1996
S J Hurrell	24 September 1996	-
K J Ludlam	18 December 1996	-
G Dransfield	24 September 1996	-

There were no other directors during the period under review.

DIRECTORS' INTERESTS

None of the directors had any declarable interest in the share or loan capital of the company or any associated company during the period under review.

HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

DIRECTORS' REPORT

ANNUAL GENERAL MEETING

Pursuant to the Elective Resolution passed on 18 December 1996, 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 were appointed as auditors during the period and, having consented to act, will continue in office as auditors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. 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

P D Tunnacliffe
Secretary
7 July 1998



REPORT OF THE AUDITORS TO THE MEMBERS OF HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

We have audited the accounts on pages 5 to 7 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.

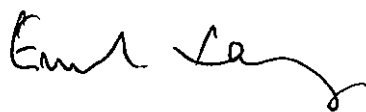
BASIS OF OPINION

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 December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor

Hull

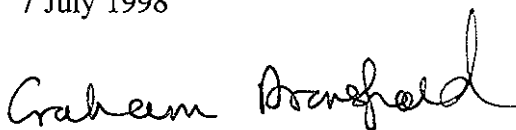
7 July 1998

HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

BALANCE SHEET - 31 DECEMBER 1997

	<u>Note</u>	<u>1997</u> <u>£</u>
FIXED ASSETS		
Investment in subsidiary undertaking	2	2,069,634,917
CURRENT ASSETS		
Amount due from fellow subsidiary undertakings		663,048,231
CURRENT LIABILITIES		
Amount due to fellow subsidiary undertaking		<u>2,069,634,917</u>
NET CURRENT LIABILITIES		(1,406,586,686)
TOTAL ASSETS LESS NET CURRENT LIABILITIES		<u>663,048,231</u>
CAPITAL AND RESERVES		
Called up equity share capital	3	265,307
Share premium	4	<u>662,782,924</u>
EQUITY SHAREHOLDERS FUNDS		<u>663,048,231</u>

Approved by the Board of Directors
7 July 1998



G Dransfield
Director

HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

NOTES ON THE ACCOUNTS - 31 DECEMBER 1997

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 assets are stated at cost, except where a provision is required for a diminution in value.

2 FIXED ASSETS

Investments in subsidiary undertaking, at cost:
Additions in period

£2,069,634,917

The subsidiary undertakings are:-

<u>Company</u>	<u>Country of Incorporation</u>
Slotcount Limited	England and Wales
CGF Pty	Australia
CGF Netherlands BV	Netherlands

3 SHARE CAPITAL

	<u>31 December 1997</u>	
	<u>Authorised</u>	<u>Allotted called up and fully paid</u>
	£	£
"A" Ordinary shares of £1 each	75,000	66,307
"B" Ordinary shares of £1 each	225,000	199,000
	<u>300,000</u>	<u>265,307</u>

On incorporation the authorised capital was £1,000 divided into 1,000 shares of £1 each. The two subscriber shares were paid up in cash on 18 December, 1996. The authorised share capital was increased on February 7 1997 to £300,000 and the shares were redesignated as 225,000 "B" shares of £1 each and 75,000 "A" shares of £1 each. The two subscriber shares were redesignated "B" shares. 199,000 "B" shares were issued at nil premium and 66,305 "A" shares of £1 each were issued for a premium of £662,782,924.

The "A" ordinary shares and "B" ordinary shares rank pari passu in all respects except that for dividends, returns on capital and voting rights which are in the proportions of 9,996.972008:1 respectively.

4 SHARE PREMIUM

Premium arising on shares issued in the period

£662,782,924

HANSON HOLDINGS (2) LIMITED (formerly Graspacross)

NOTES ON THE ACCOUNTS - 31 DECEMBER 1997

5 PROFIT AND LOSS ACCOUNT

The company has not traded during the period and, consequently, the accounts consist of a balance sheet only.

6 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS

Issue of shares in period	663,048,231
Closing equity shareholders funds	<u>663,048,231</u>

7 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.

The company has taken advantage of the exemption in FRS8 from disclosing related party transactions with members of the Hanson PLC group.