

735868

# **London Brick Company Limited**

## **Report and Accounts**

30 September 1996



# London Brick Company Limited

Registered No. 735868

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## **DIRECTORS**

R I Menzies-Gow (Resigned 31 July 1996)  
R C Manning  
H A Haefeli  
L T Scales  
D T Walters  
G W L Roberts

## **SECRETARY**

L A Blaxill

## **AUDITORS**

Ernst & Young  
Lowgate House  
Lowgate  
Hull HU1 1JJ

## **REGISTERED OFFICE**

Stewartby  
Bedford  
MK43 9LZ

# London Brick Company Limited

## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 September 1996.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company was engaged in the manufacture and sale of bricks.

On 2 October 1995 the business external assets and liabilities of the company were sold to Hanson Brick Limited for a consideration equal to the net value of the assets and liabilities sold.

### RESULTS AND DIVIDENDS

The company did not trade throughout the year.

The directors do not recommend the payment of a dividend.

### FIXED ASSETS

Details of changes in fixed assets are shown in note 7.

### DIRECTORS AND THEIR INTERESTS

The directors during the year were those listed on page 1.

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

	<i>Ordinary shares</i>		<i>Options</i>		<i>Contingent rights in ordinary shares</i>	
	<i>At 1 October 1995 (or date of appointment)</i>	<i>At 30 September 1996</i>	<i>At 1 October 1995 (or date of appointment)</i>	<i>At 30 September 1996</i>	<i>At 1 October 1995 (or date of appointment)</i>	<i>At 30 September 1996</i>
R C Manning	1,699	1,699	178,000	242,000	7,597	7,597
H A Haefeli	-	-	61,000	95,000	2,604	2,220
G W L Roberts	2,250	2,250	49,000	80,000	2,091	2,091
L T Scales	-	-	137,700	137,700	6,771	6,771
D T Walters	11,450	11,450	116,687	142,000	5,029	4,779

### Options

	<i>Options granted (exercised) during the year</i>	<i>Dates exercisable</i>	<i>Weighted average price of outstanding options</i>
R C Manning	64,000	1999/2005	216.9
H A Haefeli	34,000	2003/2005	225.9
G W L Roberts	31,000	2002/2005	217.3
L T Scales	-	1997/2004	190.7
D T Walters	30,000	1999/2005	197.1

There were no other notifiable interests.

Options include options under Hanson's executive share option scheme and Sharesave Plan.

Options granted during the year were at subscription price of 185 pence. No options lapsed during the year.

The range of the middle market quotations for Hanson ordinary shares during the year was 152.25 pence to 211.50 pence. The middle market quotation for Hanson ordinary shares at 30 September 1996 was 156.75 pence.

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DIRECTORS' REPORT

**DIRECTORS AND THEIR INTERESTS (continued)**

On 1 October 1996 the number of options, held under the executive share option schemes, and their exercise price were adjusted to reflect the demerger of Millennium and Imperial from the Hanson Group. Adjustments were also made to take account of the USI demerger which resulted in the cancellation of the contingent interest in shares shown above. A further adjustment was then made, following the demerger of Energy from the Hanson Group, on 22 February 1997.

Full details of directors' shareholdings and options for shares are given in the Company's Register of Director's interests, which is open to inspection.

**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 of the company 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; 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.

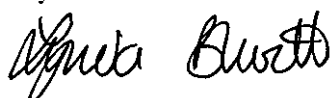
**ANNUAL GENERAL MEETINGS**

Pursuant to the Elective Resolution of the company passed on 16 May 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.

By order of the Board



L A Blaxill  
Secretary

28 JULY 1997

**REPORT OF THE AUDITORS**  
to the members of London Brick Company Limited

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets 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.

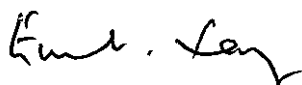
**Basis of opinion**

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 1996 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

28 July 1997

# London Brick Company Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 September 1996

	Notes	1996 £000	1995 £000
TURNOVER	2	-	77,130
Change in stocks of finished goods and work in progress		-	548
		-	77,678
Raw materials and consumables		-	11,724
Other external charges		-	13,783
		-	25,507
		-	52,171
Staff costs	5	-	27,579
Depreciation	3	-	1,868
		-	29,447
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	22,724
Taxation credit	6	-	259
PROFIT FOR THE FINANCIAL YEAR	14	-	22,983

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the financial year ended 30 September 1996 (1995 - profit of £22,983,000 and a prior year adjustment of £324,473,000 to write off the value of clay reserves to the profit and loss account reserve following a change in accounting policy).

# London Brick Company Limited

## BALANCE SHEET

at 30 September 1996

	Notes	1996 £000	1995 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	-	24,953
<b>CURRENT ASSETS</b>			
Stocks	8	-	9,827
Debtors	9	48,350	33,222
Cash at bank and in hand		-	6,261
		48,350	49,310
<b>CREDITORS: amounts falling due within one year</b>	10	26,251	43,496
<b>NET CURRENT ASSETS</b>		22,099	5,814
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,099	30,767
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	-	8,668
<b>TOTAL ASSETS LESS LIABILITIES</b>		22,099	22,099
<b>CAPITAL AND RESERVES</b>			
Equity share capital	12	57,004	57,004
Revaluation reserve	13	-	641
Profit and loss account	14	(34,905)	(35,546)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	22,099	22,099

Approved by the Board on 28 JULY

1997



H A Haefeli - Director

# London Brick Company Limited

## NOTES TO THE ACCOUNTS

at 30 September 1996

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Hanson plc group.

### 2. TURNOVER

Turnover, which arose wholly within the United Kingdom, comprised the invoice value of goods and services supplied by the company exclusive of VAT. Turnover and profit on ordinary activities before taxation arose from the principal activity of the company, which was discontinued on 2 October 1995.

### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating profit is stated after charging:

	1996 £000	1995 £000
Depreciation - owned assets	-	1,868
Auditors' remuneration	-	40
Hire of plant and machinery	-	272
	<u>          </u>	<u>          </u>

All fees for services provided by Ernst & Young to the company have been borne by the ultimate holding company. It is not practicable to ascertain what proportion of such fees relates to the company.

### 4. EMOLUMENTS OF DIRECTORS

	1996 £000	1995 £000
Remuneration, including pension contributions	-	652
	<u>          </u>	<u>          </u>

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	1996 £000	1995 £000
Chairman	-	90
Highest paid director	-	117
	<u>          </u>	<u>          </u>

#### *Directors in scale*

	1996 Number of directors	1995 Number of directors
£25,001 to £30,000	-	1
£30,001 to £35,000	-	2
£35,001 to £40,000	-	1
£40,001 to £45,000	-	3
	<u>          </u>	<u>          </u>



# London Brick Company Limited

## NOTES TO THE ACCOUNTS

at 30 September 1996

### 5. STAFF COSTS

	1996 £000	1995 £000
Wages and salaries	-	25,462
Social security costs	-	2,117
	<u>-</u>	<u>27,579</u>

The average number of employees during the year was Nil (1995 - 1,288).

On 2 October 1996 all of the employees were transferred to the employment of Hanson Brick Limited and are now members of the Hanson Brick pension scheme.

### 6. TAXATION

The credit based on the profit for the year comprises:

	1996 £000	1995 £000
Deferred taxation	<u>-</u>	<u>259</u>

### 7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation:				
At 1 October 1995	9,216	43,606	2,624	55,446
Group transfer	(9,216)	(43,606)	(2,624)	(55,446)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 1996	-	-	-	-
Depreciation:				
At 1 October 1995	2,912	26,072	1,509	30,493
Group transfer	(2,912)	(26,072)	(1,509)	(30,493)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 1996	-	-	-	-
Net book amounts:				
At 30 September 1996	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 1995	<u>6,304</u>	<u>17,534</u>	<u>1,115</u>	<u>24,953</u>

# London Brick Company Limited

## NOTES TO THE ACCOUNTS

at 30 September 1996

### 8. STOCKS

	1996 £000	1995 £000
Raw materials and consumables	-	1,239
Work in progress	-	1,142
Finished goods	-	7,446
	<u>-</u>	<u>9,827</u>

### 9. DEBTORS

	1996 £000	1995 £000
Trade debtors	-	144
Amounts owed by parent and fellow subsidiary undertakings	48,322	31,281
Other debtors	28	109
Prepayments and accrued income	-	139
Corporation tax	-	1,549
	<u>48,350</u>	<u>33,222</u>

### 10. CREDITORS: amounts falling due within one year

	1996 £000	1995 £000
Trade creditors	13	3,302
Amounts owed to parent and fellow subsidiary undertakings	26,224	26,111
Other creditors	-	3,879
Other taxation and social security	-	4,557
Accruals and deferred income	14	5,647
	<u>26,251</u>	<u>43,496</u>

# London Brick Company Limited

## NOTES TO THE ACCOUNTS

at 30 September 1996

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

	1996 £000	1995 £000
Land reclamation and restoration costs:		
At 30 September 1995	8,550	9,159
Charge to profit and loss account	-	144
Expenditure during the year	-	(753)
Group transfer	(8,550)	-
	<u>-</u>	<u>8,550</u>
At 30 September 1996	-	8,550
Deferred taxation:		
At 30 September 1995	118	377
Charge for the year	-	(259)
Group transfer	(118)	-
	<u>-</u>	<u>118</u>
At 30 September 1996	-	118
Total provisions	<u>-</u>	<u>8,668</u>

The major components for the provision for deferred taxation and the amounts not provided are as follows:

	Provided 1996 £000	Provided 1995 £000	Not provided 1996 £000	Not provided 1995 £000
Accelerated capital allowances	-	-	-	4,688
Short term and other timing differences	-	118	-	-
	<u>-</u>	<u>118</u>	<u>-</u>	<u>4,688</u>

### 12. EQUITY SHARE CAPITAL

	Authorised 1996 and 1995 £000	Allotted, called up and fully paid 1996 and 1995 £000
Ordinary shares of £1 each	<u>60,000</u>	<u>57,004</u>

### 13. REVALUATION RESERVE

	1996 £000
At 30 September 1995	641
Realised on transfer to Hanson Brick Limited	(641)
At 30 September 1996	<u>-</u>

# London Brick Company Limited

## NOTES TO THE ACCOUNTS

at 30 September 1996

### 14. PROFIT AND LOSS ACCOUNT

	1996 £000
At 30 September 1995	(35,546)
Realisation of revaluation reserve	641
At 30 September 1996	<u>(34,945)</u>

### 15. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1996 £000	1995 £000
Retained profit for the financial year	-	22,983
Opening equity shareholders' funds	22,099	(884)
Closing equity shareholders' funds	<u>22,099</u>	<u>22,099</u>

### 16. FINANCIAL COMMITMENTS

Authorised future capital expenditure amounted to:

	1996 £000	1995 £000
Contracted	-	546
Authorised but not contracted	-	81
	<u>-</u>	<u>627</u>

### 17. 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 company. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.