

Registered No. 1809729

REPORT AND ACCOUNTS

Hanson (BHHL) Limited

31 DECEMBER 1997



Hanson (BHHL) Limited

Registered No. 1809729

DIRECTORS

G Dransfield
S J Hurrell
K J Ludlam

SECRETARY

P D Tunnacliffe

AUDITORS

Ernst & Young
One Bridewell Street
Bristol
BS1 2AA

REGISTERED OFFICE

1 Grosvenor Place
London
SW1X 7JH

BANKERS

National Westminster Bank PLC
15 High Street
Bath
BA1 5AH

Hanson (BHHL) Limited

DIRECTORS' REPORT

The Directors present their report and accounts for the period ended 31 December 1997.

1. PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity was that of a holding company. All of the Company's investments were sold to group companies in a prior year and no new activity is foreseen. Therefore the accounts have been prepared on a break up basis, as explained in note 1.

2. RESULTS AND DIVIDENDS

	15 Months Period Ended 31.12.97 £	Year Ended 30.9.96 £
(Loss) / Profit for the year	(92,100)	46,050
(DECREASE) / INCREASE IN RESERVES	<u>(92,100)</u>	<u>46,050</u>

3. THE DIRECTORS AND THEIR INTERESTS

The directors who have served during the period were as follows:

M J Ablett	(Resigned 18.3.98)
J F Meddins	(Resigned 18.3.98)
P W Nicholson	(Resigned 18.3.98)
P J Turner	(Resigned 24.2.97)
G Dransfield	(Appointed 18.3.98)
S J Hurrell	(Appointed 18.3.98)
K J Ludlam	(Appointed 18.3.98)

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.

4. AUDITORS

Ernst & Young, having consented, will continue in office as auditors.

5. 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:

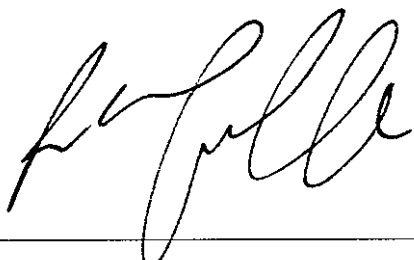
- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

9 October 1998



Hanson (BHHL) Limited

REPORT OF THE AUDITORS

to the members of Hanson (BHHL) Limited

We have audited the accounts on pages 4 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 2 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 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 the company's affairs as at 31 December 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
Bristol

9 October 1998

Hanson (BHHL) Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 1997

		15 Months to 31.12.97	Year to 30.9.96
	Notes	£	£
Discontinued Operations			
Administrative expenses		(92,100)	46,050
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(92,100)	46,050
Taxation	4	-	-
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD		(92,100)	46,050

A statement of the movement on reserves is given in note 7.

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £92,100 in the period ended 31 December 1997 (profit of £46,050 in the year ended 30 September 1996).

Hanson (BHHL) Limited

BALANCE SHEET

at 31 December 1997

	Notes	1997 £	1996 £
CURRENT ASSETS			
Debtors	5	368,830,088	368,922,188
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>368,830,088</u>	<u>368,922,188</u>
CAPITAL AND RESERVES			
Called up share capital	6	175,000,000	175,000,000
Profit and loss account	7	193,830,088	193,922,188
EQUITY SHAREHOLDERS' FUNDS		<u>368,830,088</u>	<u>368,922,188</u>



KJ Ludlam
Director

9 October 1998

Hanson (BHHL) Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

1(a) BASIS OF PREPARATION

The accounts have been prepared on a break-up basis reflecting that the company's business has effectively ceased. Accordingly, adjustments have been made to reduce current assets to their realisable amount, to provide for any further liabilities which will arise and to reclassify long term liabilities as current liabilities.

1(b) ACCOUNTING POLICIES

Accounting convention

The accounts are prepared in accordance with applicable accounting standards.

2. DIRECTORS' EMOLUMENTS

There were no directors' emoluments in the year (1996 - £nil).

3. EMPLOYEES

There were no persons employed in the year (1996 - nil).

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

There is no corporation tax charge in the current year (1996 - nil).

There is no deferred taxation liability nor any unprovided deferred tax.

5. DEBTORS

	1997 £	1996 £
Amounts owed by subsidiary undertakings	-	20,162,054
Amount owed by parent and fellow subsidiary undertakings	368,830,088	348,760,134
	<u>368,830,088</u>	<u>368,922,188</u>

No formal arrangements exist for repayment of the amounts owed by group undertakings. In practice, these amounts represent long term advances and are unlikely to be repaid within one year.

Hanson (BHHL) Limited

NOTES TO THE ACCOUNTS

at 31 December 1997

6. SHARE CAPITAL

	1997 £	1996 £
Authorised 175,000,000 ordinary shares of £1 each	<u>175,000,000</u>	<u>175,000,000</u>
Allotted, called up and fully paid 175,000,000 ordinary shares of £1 each	<u>175,000,000</u>	<u>175,000,000</u>

7. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Balance at 1 October 1996	193,922,188	193,876,138
Retained (loss) / profit for the period	(92,100)	46,050
Balance at 31 December 1997	<u>193,830,088</u>	<u>193,922,188</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Balance at 1 October 1996	368,922,188	368,876,138
(loss) / profit attributable to the members of the company	(92,100)	46,050
Balance at 31 December 1997	<u>368,830,088</u>	<u>368,922,188</u>

9. CASH FLOW STATEMENT

The company is not required to produce a cash flow statement. It is a wholly owned subsidiary of Hanson PLC which prepares a consolidated cash flow statement.

10. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Hanson PLC, which is registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Hanson PLC. Copies of their accounts can be obtained from Hanson PLC, 1 Grosvenor Place, London SW1X 7JH.