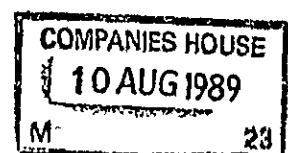


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SEVEN SEAS LIMITED
(formerly Marfleet Refining Company Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER 1988



SEVEN SEAS LIMITED
(formerly Marfleet Refining Company Limited).

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30TH SEPTEMBER, 1988

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SEVEN SEAS LIMITED
(formerly Marfleet Refining Company Limited)

REPORT OF THE DIRECTORS'

YEAR ENDED 30TH SEPTEMBER, 1988

The Directors present their report and financial statements for the year ended 30th September, 1988.

1. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

It is anticipated that the company will continue to concentrate its activity, for the foreseeable future, on the manufacture and marketing of vitamin supplements and health care products.

2. CHANGE OF NAME

On the 2nd May 1988 the company changed its name from Marfleet Refining Company Limited to Seven Seas Limited.

3. RESULTS AND DIVIDEND

The turnover and profits of the company are set out on page 8. No dividend for the year is proposed. The retained profit for the year of £6,217,000 (1987 £1,067,000) has been added to reserves.

4. DIRECTORS

The names of the directors of the company as at the date of this report are set out below:-

A.R. Cotton
C.O. Dixon
A.G. Clements
R. Grant
R. Jordan
D.S. Sutton
K.T. Winkle

All the above named served as directors throughout the year with the exception of Mr. A.R. Cotton and Mr. R. Jordan who were appointed on 1st March, 1989. They are also directors of Imperial Foods Limited.

Mr. M. Skipwith who was a director on 1st October, 1987, ceased to be a director on the 31st December, 1987.

Mr. S.A. Reed who was a director on the 1st October, 1987 ceased to be a director on 23rd February, 1989.

Mr. R.R.G. North who was a director of the company on the 1st October, 1987 ceased to be a director on 28th February, 1989. He was also a director of Imperial Foods Limited during the period he served as a director of the company.

No director had any interests in the shares or debentures of the company or any other subsidiaries of Hanson PLC as at 1st October, 1987 and 30th September, 1988.

DIRECTORS' REPORT (continued)

The disclosable interests of the directors in the share capital of the ultimate holding company, Hanson plc, according to the register kept by the Company for the purposes of the Companies Act 1985 are shown below:-

Interests in the shares of Hanson plc Ordinary Shares of 25p each

	Shares Issued		Share Options (see Note below)	
	30th September 1988	1st October 1987	30th September 1988	1st October 1987
C.O. Dixon	-	-	52,333	28,333
A.G. Clements	-	-	15,000	5,000
R. Grant	-	-	15,000	5,000
D.S. Sutton	-	-	10,000	5,000
K.T. Winkle	-	-	10,000	5,000

Note: The share options are options granted to subscribe for ordinary shares of 25p each of Hanson plc under the Hanson plc Share Option Scheme, subject to the rules of the Scheme.

5. EMPLOYMENT POLICIES

Non Discrimination

It is the policy of the Company that employees at all levels shall not discriminate against others, or be discriminated against on the grounds of colour, race, religion, sex or ethnic origins. This policy applies to all conditions of employment, recruitment and other aspects of work.

Disabled people

The Company seeks to abide by the Department of Employment's voluntary code of practice on the employment of disabled people. This requires companies to give full and fair consideration to disabled people when applying for jobs, and in offering disabled employees training, career development and promotion opportunities. We believe that if a positive attitude to the employment of disabled people is adopted, then many of the problems commonly considered to be associated with the employment of disabled people can be overcome.

Employee Involvement

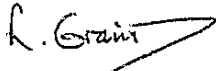
The Company continues to operate well established employee consultation arrangements. We remain firmly convinced that progress is most readily achieved by basing employees' involvement on their participation at the workplace - in the office, depot or factory. Management input to existing arrangements continues to be given high priority.

DIRECTORS' REPORT (continued)

6. AUDITORS

The auditors of the Company, Deloitte Haskins & Sells have signified their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General meeting that they be re-appointed as auditors for the ensuing year.

BY ORDER OF THE BOARD



R. Grant
Secretary

Hedon Road
Marfleet
Hull
HU9 5NJ

AUDITORS' REPORT TO THE MEMBERS OF
"SEVEN SEAS LIMITED".

(formerly Marfleet Refining Company Limited)

We have audited the financial statements set out on pages 6 to 16 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 30th September, 1988 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Deloitte Haskins & Sells

Deloitte Haskins & Sells

Chartered Accountants
Nottingham

28 April 1989

SEVEN SEAS LIMITED
(formerly Marfleet Refining Company Limited).

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost basis of accounting.

CONSOLIDATED ACCOUNTS

As the Company is a wholly owned subsidiary consolidated financial statements have not been prepared.

TURNOVER

Turnover comprises the value of goods and services invoiced, excluding Value Added Tax.

VALUATION OF STOCKS

Stocks have been valued at cost or at estimated net realisable value if lower. Cost includes an appropriate proportion of overheads based on normal levels of activity.

DEPRECIATION

No depreciation is provided on freehold land; all other tangible assets are depreciated on a straight line basis, on original cost after deduction of government and EEC grants.

The rates used are calculated to write off the cost of each asset over its estimated total life as follows:-

Freehold and leasehold buildings	2%
Plant and Equipment	5% - 25%
Computers	20%
Goods Vehicles	16.66% - 25%
Motor Cars	25%

DEFERRED TAXATION

Provision is made on the liability method for taxation which is deferred as a result of timing differences between profits as computed for tax purposes and profits as stated in the accounts, only when it is considered that there is a reasonable probability that the timing differences will reverse in the foreseeable future.

Where any taxation deferred in accordance with the above policy represents an amount of tax recoverable, provision is made for it only where there is a reasonable certainty that recovery will be achieved in future periods.

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)
STATEMENT OF ACCOUNTING POLICIES (continued)

TRANSLATION OF FOREIGN CURRENCIES

All transactions of a trading nature are translated into sterling at the rates of exchange ruling at the date of the transaction, exchange gains or losses being included in profit on ordinary activities before taxation.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at exchange rates ruling at the year end unless forward rates of exchange have been contracted in which case the contracted rate is used.

RESEARCH, DEVELOPMENT, ADVERTISING AND PROMOTIONAL EXPENDITURE

This expenditure is charged against revenue in the year in which it is incurred.

PENSIONS

The Company's obligations to provide pensions for its employees are covered by the Imperial Foods Group Pension Scheme which is a defined benefit scheme whose assets are independent of the Group and are managed by trustees. The scheme is funded at rates of contribution determined by an independent actuary in order to provide benefits as defined by the scheme. Full actuarial valuations are made at periodic intervals not exceeding three years and the profit and loss account bears the Company's share of contributions as defined by the independent actuary.

INVESTMENTS

Investments are stated at cost, less provision in respect of any permanent diminution in value.

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER, 1988

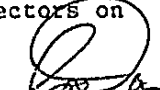
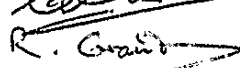
	Note	1988 £'000s	1987 £'000s
TURNOVER	2	26,101	24,989
Cost of Sales	3	(20,639)	(20,261)
OPERATING PROFIT	3	5,462	4,728
Interest Receivable		28	63
Dividends Received		-	171
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,490	4,962
Taxation on profit on ordinary activities	5	739	96
Provision for Deferred Taxation	11	(12)	335
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		6,217	5,393
EXTRAORDINARY ITEMS		-	(121)
PROFIT FOR THE PERIOD		6,217	5,272
Dividends Paid and Proposed		-	(4,205)
RETAINED PROFIT FOR THE PERIOD	13	6,217 =====	1,067 =====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

BALANCE SHEET AS AT 30TH SEPTEMBER, 1988

	Note	1988 £'000s	1987 £'000s
FIXED ASSETS			
Tangible Assets	6	2,164	2,123
Investments	7	1,652	1,651
		<u>3,816</u>	<u>3,774</u>
CURRENT ASSETS			
Stocks	8	6,409	6,389
Debtors	9	5,456	4,029
Amount due from holding company		4,764	4,162
Cash at bank and in hand		1,820	1,538
		<u>18,449</u>	<u>16,118</u>
CREDITORS: DUE WITHIN ONE YEAR			
Creditors due within one year	10	(9,249)	(12,988)
NET CURRENT ASSETS			
		<u>9,200</u>	<u>3,130</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		13,016	6,904
PROVISIONS FOR LIABILITIES AND CHARGES			
	11	(446)	(551)
		<u>12,570</u>	<u>6,353</u>
		=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	12	50	50
Profit and Loss Account	13	12,520	6,303
		<u>12,570</u>	<u>6,353</u>
		=====	=====

The financial statements on pages 6 to 16 were approved by the Board of Directors on 28th April, 1989 and signed on its behalf by:

) Director
) Director

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER, 1988

	Note	1988 £'000s	1987 £'000s
SOURCE OF FUNDS			
Profit on Ordinary Activities before Taxation		5,490	4,791
Depreciation		373	462
Net Book Value of Fixed Asset Disposals		66	-
Total arising from operations		5,929	5,253
Dividend Received (net)		-	125
Decrease in working capital	14	-	1,798
		5,929	7,176
APPLICATION OF FUNDS			
Investment in subsidiaries purchased		(1)	(136)
Transfer of business from group company		-	(574)
Payment of rationalisation costs		(117)	(377)
Purchase of tangible assets		(480)	(103)
Acquisition of Goodwill		-	(1,650)
Dividends paid (Net)		(2,500)	(1,245)
Tax paid		(479)	(254)
Increase in working capital	14	(1,468)	-
		(5,045)	(4,339)
Increase/(Decrease) in net liquid funds	14	884	2,837
		=====	=====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS

1. CHANGE OF NAME

On 2nd May, 1988 the company changed its name from Marfleet Refining Company Limited to Seven Seas Limited.

2. TURNOVER

Analysis of turnover by geographical market is not disclosed in these accounts.

3. OPERATING PROFIT

	1988	1987
Operating profit is arrived at after charging/(crediting):		
Change in stocks	(232)	(1,178)
Raw materials consumed	10,491	12,300
Staff costs	2,911	2,830
Depreciation	373	462
Auditors' fees and expenses	26	23
Hire of plant and vehicles	31	25
Profit on sale of tangible assets	(39)	-
Other expenses	7,078	5,799
	20,639	20,261
	=====	=====

4. DIRECTORS AND EMPLOYEES

(a) The average number of persons (including Directors where appropriate) employed by the company was:-

	1988	1987
Production	164	152
Sales and Marketing	56	53
Distribution	3	4
Administration	47	39
	270	248
	=====	=====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. DIRECTORS AND EMPLOYEES

- (b) The costs incurred in respect of employees were:-

	1988 £'000s	1987 £'000s
Wages and salaries	2,764	2,623
Social security costs	147	207
Other pension costs	-	-
	<u>2,911</u>	<u>2,830</u>

- (c) The number of employees who received emoluments exceeding £30,000 for the year was as follows:-

	1988 £'000s	1987 £'000s
£30,000 - £35,000	1	-

- (d)

	1988 £'000s	1987 £'000s
Directors emoluments included in the above employment costs amounted to:-	231	210

The Chairman of the company was employed by Imperial Foods Limited, a subsidiary of the ultimate holding company, and was remunerated by Imperial Foods Limited for his services to the Group. He did not receive any remuneration for his services as a director of the company.

Highest Paid Director

	58	54
--	----	----

The number of other directors who received emoluments in the following ranges were:-

	Number	Number
£10,001 - £15,000	-	1
£15,001 - £20,000	1	-
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	1	2
£35,001 - £40,000	2	1
£40,001 - £45,000	1	-

SEVEN SEAS LIMITED (formerly Marfleer Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1988	1987
In respect of the period:		
United Kingdom Corporation Tax at 35.00% (1987 35.00%)	1,897	1,588
Less Group relief available	(1,897)	(1,270)
	-	318
Less ACT recoverable on interim dividend	-	(414)
	-	(96)
Prior year adjustment in respect of Group relief now available	(739)	-
	(739)	(96)
	=====	=====

6. TANGIBLE FIXED ASSETS

	Land and Buildings		Plant and Machinery	Fixtures Fittings, Tools and Equipment	Total
	Short Leasehold £'000s	Freehold £'000s	£'000s	£'000s	£'000s
Cost					
At 30 September 1987	156	493	3,878	857	5,384
Additions	-	-	158	322	480
Disposals	-	-	(67)	(226)	(293)
At 30 September 1988	156	493	3,969	953	5,571
	=====	=====	=====	=====	=====
Depreciation					
At 30 September 1987	8	118	2,663	472	3,261
Charge for period	3	8	221	141	373
Disposals	-	-	(66)	(161)	(227)
At 30 September 1988	11	126	2,818	452	3,407
	=====	=====	=====	=====	=====
NET BOOK VALUE					
AT 30 September 1988	145	367	1,151	501	2,164
	=====	=====	=====	=====	=====
At 30 September 1987	148	375	1,215	385	2,123
	=====	=====	=====	=====	=====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENTS

The company owns the whole of the share capital of the following:-

British Cod Liver Oils Limited

Seven Seas Health Care Limited

Marfleet Refining Company Limited (Formerly Seven Seas Limited formerly New Era Holdings Limited)

New Era Laboratories Limited

Vitrite Health Care Limited

These companies and their subsidiaries did not trade during the year.

The whole of the issued Share Capital of £1,000 of Vitrite Health Care Limited was purchased on 25th August, 1988.

	1988 £'000s	1987 £'000s
8. STOCKS		
Raw materials	2,391	2,603
Work in progress	2,141	1,747
Finished goods	1,877	2,039
	<u>6,409</u>	<u>6,389</u>
	=====	=====
9. DEBTORS: DUE WITHIN ONE YEAR		
Trade debtors	5,327	3,704
Amounts owed by fellow subsidiaries	5	31
Other debtors	90	214
Prepayments and accrued income	34	80
	<u>5,456</u>	<u>4,029</u>
	=====	=====
10. CREDITORS: DUE WITHIN ONE YEAR		
Trade creditors	5,752	5,891
Amounts owed to fellow subsidiaries	2,308	2,307
Other taxation and social security	382	136
Accruals and deferred income	476	618
Other creditors	13	-
Proposed dividend	-	2,500
Corporation Tax	318	1,536
	<u>9,249</u>	<u>12,988</u>
	=====	=====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PROVISION FOR LIABILITIES AND CHARGES

	1988 £'000s	1987 £'000s
Rationalisation of business	153	270
Deferred Taxation	293	281
	<u>446</u>	<u>551</u>
	=====	=====

The movement in provisions during the year are detailed below:

	Rationalisation £'000s	Deferred Tax £'000s
Provision as at 1st October, 1987	270	281
Expensed in year	(117)	-
Provided in the year	-	12
Provision as at 30th September, 1988	<u>153</u>	<u>293</u>
	=====	=====

Deferred Taxation is provided for in full at 35% (1987: 35%) and is in respect of timing differences because of:-

	1988 £'000s	1987 £'000s
Excess of tax allowances over depreciation	347	381
Short term differences	(54)	(100)
	<u>293</u>	<u>281</u>
	=====	=====

12. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and
fully paid
50,000 ordinary shares at £1 each

	1988 £'000s	1987 £'000s
	50	50
	=====	=====

13. RESERVES

Profit and Loss Account

Retained profit at 1 October 1987	6,303	6,886
Goodwill written off - during the year the company purchased various trademarks and the goodwill arising has been written off direct to reserves	-	(1,650)
Retained Profit for the year	<u>6,217</u>	<u>1,067</u>
Retained Profit at 30th September, 1988	<u>12,520</u>	<u>6,303</u>
	=====	=====

SEVEN SEAS LIMITED (formerly Marfleet Refining Company Limited)

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. STATEMENT OF FUNDS

	1988 £'000s	1987 £'000s
(a) (Increase)/Decrease in working capital		
Stocks	(20)	(2,388)
Debtors	(1,427)	1,540
Creditors	(21)	2,646
	<u>(1,468)</u>	<u>1,798</u>
	=====	=====
(b) Increase/(Decrease) in net liquid funds		
Amount due from holding company	602	1,932
Balance at bank	282	905
	<u>884</u>	<u>2,837</u>
	=====	=====

18. PENSION OBLIGATIONS

The latest actuarial valuation of the Imperial Foods Group Pension Fund made as at the 5th April 1986 on a discontinuance basis showed no actuarial deficit.

19. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of Hanson plc, a company incorporated in Great Britain.