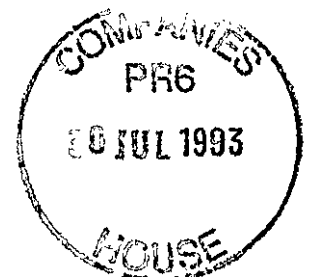


SEVEN SEAS LIMITED

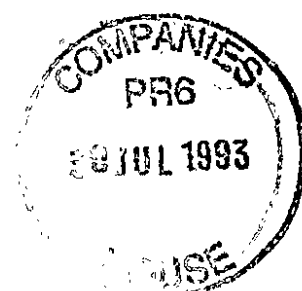
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
30TH SEPTEMBER, 1992



SEVEN SEAS LIMITED
(Registered No. 351663)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER, 1992

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SEVEN SEAS LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 30TH SEPTEMBER, 1992

The Directors present their report and financial statements for the year ended 30th September, 1992.

1. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The directors are satisfied with the results for the year.

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. To support this activity significant investment has been made in the manufacturing and warehousing facilities of the company.

2. RESULTS AND DIVIDENDS

The turnover and profits of the company are set out on page 9. No dividend for the year has been proposed (1991 - £6,000,000). The retained profit for the year of £8,220,000 (1991 - £488,000) has been added to reserves.

3. DIRECTORS

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

C.J. Thomas - Chairman
P.J. Harper
L.E.T. Ashford
C.O. Dixon
A.G. Clements
R. Grant
M. O'Shea (non-executive)
D.S. Sutton
K.T. Winkle

The above named served as directors throughout the year with the exception of Mr. M. O'Shea who was appointed a non-executive director on the 3rd November, 1992.

No director had any interests in the shares or debentures of the company or any other subsidiary undertaking of Hanson PLC as at 1st October, 1991 and 30th September, 1992.

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

REPORT OF THE DIRECTORS (continued)

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

	Shares issued		Share Options	
	30th September 1992	1st October 1991	Granted (Exercised) during the year to 30th September 1992	
C.O. Dixon	20,000	10,000	13,000	(10,000)
A.G. Clements	-	2,000	22,000	-
R. Grant	2,850	2,350	18,406	(10,000)
D.S. Sutton	680	680	17,000	(10,000)
K.T. Winkle	3,417	3,417	16,000	-

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 and options granted under the Hanson PLC Employee Sharesave Scheme.

Mr. P.J. Harper is a director, and Mr. L.E.T. Ashford is an associate director, of Hanson PLC and their shareholdings, if any, are disclosed in the accounts of that company.

Mr. C.J. Thomas is a director of Hanson Foods Limited, the immediate holding company, and his shareholdings in Hanson PLC, if any, are disclosed in the accounts of that company.

4. 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 origin. 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.

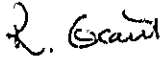
Employee Involvement

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.

5. AUDITORS

The auditors of the company, Ernst & Young, have signified their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD



R. Grant
Secretary

2nd December, 1992

Hedon Road
Marfleet
Hull
HU9 5NJ

REPORT OF THE AUDITORS TO THE MEMBERS OF
SEVEN SEAS LIMITED

We have audited the financial statements on pages 7 to 17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30th September, 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, reading "Ernst & Young", written in dark ink.

Ernst & Young

Chartered Accountants
Registered Auditor
Hull

2nd December, 1992

SEVEN SEAS LIMITED

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards including Financial Reporting Standards numbers 2 and 3.

CONSOLIDATED ACCOUNTS

As the Company is a wholly owned undertaking of a company which is itself incorporated in the United Kingdom consolidated financial statements have not been prepared.

TURNOVER

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

It is the opinion of the directors that the company operates in one class of business.

VALUATION OF STOCK

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.

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.

SEVEN SEAS LIMITED
STATEMENT OF ACCOUNTING POLICIES (continued)

TRANSLATION OF FOREIGN CURRENCIES

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.

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 are included in profit on ordinary activities before taxation.

PENSIONS

The Company's obligations to provide pensions for its employees are covered by the Imperial Retirement Benefits Scheme and the IT Pension Fund which are defined benefit schemes whose assets are independent of Hanson PLC and are managed by trustees. The schemes are funded at rates of contribution determined by an independent actuary in order to provide benefits as defined by the schemes. Full actuarial valuations are made at periodic intervals 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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1992

	Note	1992 £'000s	1991 £'000s
TURNOVER	1	46,635	39,669
Operating Costs	2	(38,534)	(33,155)
OPERATING PROFIT		8,101	6,514
Interest Receivable		5	14
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,106	6,528
Taxation	4	114	(40)
PROFIT FOR THE FINANCIAL YEAR		8,220	6,488
Dividend Paid		-	(6,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		8,220	488
Retained Profit at 1st October, 1991		21,153	20,665
RETAINED PROFIT AT 30TH SEPTEMBER, 1992		<u>29,373</u>	<u>21,153</u>

RECOGNISED GAINS AND LOSSES

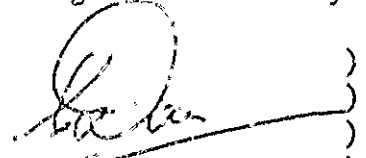
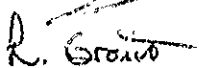
There are no recognised gains or losses other than the profit attributable to ordinary shareholders of £8,220,000 in the year ended 30 September 1992 (1991 : £6,488,000). The profit for the financial year arises entirely from the principal continuing activity of the company.

SEVEN SEAS LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER, 1992

	Note	1992 £'000s	1991 £'000s
FIXED ASSETS			
Tangible Assets	5	5,541	3,771
Investments	6	1,653	1,653
		<u>7,194</u>	<u>5,424</u>
CURRENT ASSETS			
Stocks	7	7,627	7,927
Debtors	8	31,492	23,932
Cash at bank and in hand		8,354	6,552
		<u>47,473</u>	<u>38,411</u>
CURRENT LIABILITIES			
Creditors due within one year	9	24,991	22,242
NET CURRENT ASSETS		<u>22,482</u>	<u>16,169</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		29,676	21,593
PROVISIONS FOR LIABILITIES AND CHARGES	10	253	390
		<u>29,423</u>	<u>21,203</u>
CAPITAL AND RESERVES			
Called up Share Capital	11	50	50
Profit and Loss Account		29,373	21,153
	12	<u>29,423</u>	<u>21,203</u>

The financial statements on pages 7 to 17 were approved by the Board of Directors on 2nd December, 1992 and signed on its behalf by:-

) Director
) Director

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER

Analysis of turnover by geographical market is not disclosed in these accounts as the directors consider that disclosure would be prejudicial to the business.

2. OPERATING COSTS

	1992 £'000s	1991 £'000s
Change in finished goods and work in progress	(453)	435
Raw materials consumed	17,028	13,777
Staff costs	5,139	4,249
Depreciation	549	420
Auditors' fees and expenses	24	22
Non audit fees paid to auditors	5	-
Hire of plant and vehicles	152	80
(Profit) on sale of tangible fixed assets	(12)	(18)
Other operating charges	16,102	14,190
	<u>38,534</u>	<u>33,155</u>

3. DIRECTORS AND EMPLOYEES

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

	1992	1991
Production	224	211
Sales and Marketing	68	66
Distribution	7	7
Administration	46	48
	<u>345</u>	<u>332</u>

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

	1992 £'000s	1991 £'000s
Wages and salaries	4,716	3,876
Social security costs	378	370
Other pension costs	45	3
	<u>5,139</u>	<u>4,249</u>

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. DIRECTORS AND EMPLOYEES (continued)

(c)

	1992 £'000s	1991 £'000s
Directors emoluments included in the above employment costs amounted to:-	<u>390</u>	<u>242</u>
Chairman	<u>-</u>	<u>-</u>
Highest Paid Director	<u>104</u>	<u>67</u>
The number of directors who received emoluments in the following ranges were:-		
	<u>Number</u>	<u>Number</u>
£ 0 - £ 5,000	3	4
£ 35,001 - £ 40,000	-	1
£ 40,001 - £ 45,000	-	2
£ 45,001 - £ 50,000	1	-
£ 50,001 - £ 55,000	1	1
£ 60,001 - £ 65,000	1	-
£ 65,001 - £ 70,000	-	1
£ 80,001 - £ 85,000	1	-
£100,001 - £105,000	1	-

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1992 £'000s	1991 £'000s
In respect of the year:		
United Kingdom Corporation Tax at 33% (1991 : 33.5%)	2,545	2,156
<u>Less</u> Group relief	<u>(2,545)</u>	<u>(2,156)</u>
	-	-
Adjustment in respect of prior years	-	(6)
Deferred Tax (see Note 10)	<u>114</u>	<u>(34)</u>
Credited/(Charged)	<u>114</u>	<u>(40)</u>

The tax charge has been reduced by group relief for which no payment is to be made.

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. 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 1991	157	1,794	4,759	1,241	7,951
Additions	-	665	1,428	236	2,329
Disposals	-	-	(32)	(74)	(106)
At 30 September 1992	<u>157</u>	<u>2,459</u>	<u>6,155</u>	<u>1,403</u>	<u>10,174</u>
Depreciation					
At 30 September 1991	21	150	3,361	648	4,180
Charge for year	3	58	273	215	549
Disposals	-	-	(26)	(70)	(96)
At 30 September 1992	<u>24</u>	<u>208</u>	<u>3,608</u>	<u>793</u>	<u>4,633</u>
NET BOOK VALUE					
At 30 September 1992	<u>133</u>	<u>2,251</u>	<u>2,547</u>	<u>610</u>	<u>5,541</u>
At 30 September 1991	<u>136</u>	<u>1,644</u>	<u>1,398</u>	<u>593</u>	<u>3,771</u>

Included in the cost of Freehold Land & Buildings is £322,000 of land which is not depreciated (1991 : £322,000)

6. INVESTMENTS

	1992 £'000s	1991 £'000s
Shares in subsidiary undertakings		
Cost at 30th September	<u>1,653</u>	<u>1,653</u>

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INVESTMENTS continued

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
 New Era Laboratories Limited
 Virrite Health Care Limited
 Seven Seas (Ireland) Limited

These companies and their subsidiary undertakings did not trade during the year. All are companies registered in England and Wales except Seven Seas (Ireland) Limited which is incorporated in the Republic of Ireland.

In the opinion of the directors the value of these investments is not less than that shown in these accounts.

7. STOCKS

	1992 £'000s	1991 £'000s
Raw Materials	1,926	2,679
Work in progress	2,158	2,529
Finished goods	3,543	2,719
	<u>7,627</u>	<u>7,927</u>

There is no significant difference between the Balance Sheet value of stock and its replacement cost.

8. DEBTORS : DUE WITHIN ONE YEAR

	1992 £'000s	1991 £'000s
Trade debtors	9,037	7,772
Amounts owed by fellow subsidiary undertakings	22,146	15,753
Amounts owed by subsidiary undertakings	5	5
Other debtors	48	323
Value added tax	36	4
Prepayments and accrued income	220	75
	<u>31,492</u>	<u>23,932</u>

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. CREDITORS : DUE WITHIN ONE YEAR

	1992 £'000s	1991 £'000s
Trade creditors	10,479	7,721
Amounts owed to immediate parent undertaking	11,000	11,000
Amounts owed to fellow subsidiary undertakings	652	652
Amounts owed to subsidiary undertakings	1,658	1,658
Other taxation and social security	504	463
Accruals and deferred income	647	587
Other	51	161
	<u>24,991</u>	<u>22,242</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	1992 £'000s	1991 £'000s
Rationalisation of business	60	83
Deferred Taxation	193	307
	<u>253</u>	<u>390</u>

The movements in provisions during the year are detailed below:

	Rationalisation £'000s	Deferred Tax £'000s
Provision as at 1st October, 1991	83	307
Expended in year		(114)
Provision as at 30th September, 1992	<u>60</u>	<u>193</u>

Deferred Taxation is provided for in full at 33.0% (1991 : 33.5%) and is in respect of timing differences arising from:

	1992 £'000s	1991 £'000s
Excess of tax allowances over depreciation	213	336
Short term differences	(20)	(29)
	<u>193</u>	<u>307</u>

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. CALLED UP SHARE CAPITAL

	1992 £'000s	1991 £'000s
Authorised, allotted, called up and fully paid		
50,000 ordinary shares at £1 each	<u>50</u>	<u>50</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1992 £'000s	1991 £'000s
Profit for the financial year	8,220	6,488
Dividends paid	-	(6,000)
	<u>8,220</u>	<u>488</u>
Opening Shareholders' Funds	21,203	20,715
	<u>29,423</u>	<u>21,203</u>

13 CAPITAL COMMITMENTS

	1992 £'000s	1991 £'000s
Expenditure contracted for	<u>99</u>	<u>745</u>
Expenditure authorised and not contracted for	<u>102</u>	<u>1,189</u>

14. PENSION OBLIGATIONS

The Imperial Retirement Benefit Scheme was merged with the IT Pension Fund on 6th April, 1992. There is no pension cost to disclose in respect of the Imperial Retirement Benefit Scheme or the merged IT Pension Fund for the year to 30th September, 1992. This has been assessed by R. Watson & Sons, consulting actuaries, using the projected unit credit method, however the outcome of the valuation of the combined Fund at that date is not yet available.

SEVEN SEAS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. PENSION OBLIGATIONS continued

The latest reported actuarial valuations of the I.T. Pension Fund and the Imperial Retirement Benefit Scheme were made as at 5 April 1989 and 5 April 1990 respectively. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the future investment return would be 10% per annum, that dividends and rents from existing equity and property holdings would increase at 5½% per annum, that pay increases would average 7½% per annum and pension increases would be at least equal to those specified in the rules of the Schemes.

At the dates of the latest actuarial valuations of the Fund and the Scheme, the market values of the assets of the two funds were £1,522 million. The total assets were sufficient to cover 129% of the benefits that had accrued to members, after allowing for expected future increases in earnings and for benefit improvements which have subsequently been awarded. Company contributions to the Fund and the Scheme were suspended having regard to the surplus disclosed at those valuations.

There are no outstanding or prepaid contributions at the balance sheet date.

15. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Hanson PLC, a company registered in England and Wales. The results of Seven Seas Limited are incorporated in the group accounts published by Hanson PLC. The accounts of Hanson PLC are available from 1 Grosvenor Place, London, SW1X 7JH.