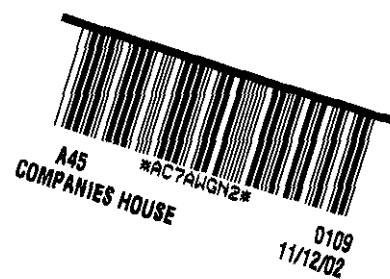


66545

**LB (STEWARTBY) LIMITED**

Report and Accounts

31 December 2001



# **L B (Stewartby) Limited**

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Registered No. 66045

## **DIRECTORS**

D T Walters  
D J Szymanski  
R Wood

## **SECRETARY**

A Foster

## **AUDITORS**

Ernst & Young LLP  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

## **REGISTERED OFFICE**

Stewartby  
Bedford  
MK43 9LZ

DIRECTORS REPORT

The directors present their report and accounts for the year ended 31 December 2001.

**PRINCIPAL ACTIVITY**

The company acts as an investment holding company within the Hanson PLC group.

**RESULTS AND DIVIDENDS**

The company made a loss for the year of £33,000. The directors do not propose the payment of a final dividend.

**DIRECTORS AND THEIR INTERESTS**

The directors at 31 December 2001 and their interest in the share capital of Hanson PLC, the ultimate holding company, were as follows:

*Ordinary shares*

	<i>Balance at 31 December 2001</i>	<i>Balance at 31 December 2000</i>
M P Lean	3,510	1,766
D J Szymanski	2,639	2,665
D T Walters	18,872	16,343

*Executive share option scheme – options to subscribe for ordinary shares*

	<i>31 December 2001</i>	<i>Exercised during year</i>	<i>31 December 2000</i>
M P Lean	–	4,434	4,434
D T Walters	35,349	3,880	39,229

*Sharesave scheme – options to subscribe for ordinary shares*

	<i>31 December 2001</i>	<i>Granted during year</i>	<i>Exercised/ lapsed during year</i>	<i>31 December 2000</i>
M P Lean	2,559	905	–	1,654
D J Szymanski	4,367	–	1,645	6,012

## DIRECTORS REPORT

**DIRECTORS' AND THEIR INTERESTS** (continued)**Long term incentive plan**

The table below shows the conditional interests in shares of the directors relating to awards made under the long term incentive plan in 1998, 1999, 2000 and 2001.

	<i>Balance at 31 December 2001</i>	<i>Awarded during year</i>	<i>Vested during year</i>	<i>Lapsed during year</i>	<i>Balance at 31 December 2000</i>
M P Lean	53,189	21,128	2,907	13,314	48,282
D J Szymanski	60,587	23,240	3,668	16,608	57,623
D T Walters	41,073	12,676	2,868	13,127	44,392

**Share option plan**

The table below shows the conditional interests in shares of the directors relating to the grant made under the share option plan in 2001.

	<i>Balance 31 December 2001</i>	<i>Granted during year</i>	<i>Exercised/ lapsed during year</i>	<i>Balance at 31 December 2000</i>
M P Lean	21,128	21,128	—	—
D J Szymanski	23,242	23,242	—	—

1. The range of the market quotations for Hanson ordinary shares, as derived from the London Stock Exchange Daily Official List, during the period 1 January to 31 December 2001 was 388.5p to 553p per ordinary share.
2. The market price for Hanson ordinary shares on 31 December 2001 was 474p per ordinary share.
3. Options granted during the year under the Sharesave Scheme were at a subscription price of 428p per share.
4. Conditional options granted during the year under the Share Option Plan were at a subscription price of 473.3p per share.
5. The company's Register of Directors' Interests (which is open to inspection at the company's registered office) contains full details of directors' ordinary share and share option interests.

No director had a material interest in any contract of significance with the company or any subsidiary or associate during the year.

M P Lean resigned as a director of the company on 15 May 2002 and R Wood was appointed as a director on 15 May 2002.

**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 on accordance with Section 253 of the Companies Act 1985.

DIRECTORS REPORT

**AUDITORS**

Ernst & Young LLP continues in office as the company's auditors in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

By order of the Board



A Foster  
Secretary

2 ~~DECEMBER~~ 2002

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.

**INDEPENDENT AUDITORS' REPORT**  
**to the members of L B (Stewartby) Limited**

We have audited the company's accounts for the year ended 31 December 2001 which comprise the Profit and Loss account, Balance Sheet and the related notes 1 to 9. These accounts have been prepared on the basis of the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

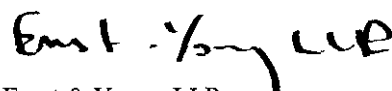
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2001 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Luton

2 December 2002

## L B (Stewartby) Limited

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### PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	<i>Note</i>	<i>2001</i> £	<i>2000</i> £
Amounts written off investments	3	33,000	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(33,000)</u>	<u>—</u>
Tax on loss on ordinary activities	2	—	—
<b>LOSS FOR THE FINANCIAL YEAR</b>	7	<u>(33,000)</u>	<u>—</u>

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses other than the loss for the year.

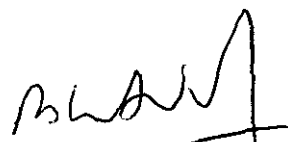


# L B (Stewartby) Limited

## BALANCE SHEET at 31 December 2001

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investments	3	53,977,000	—
<b>CURRENT ASSETS</b>			
Debtors	4	76,661,795	76,661,795
<b>CREDITORS</b>			
Creditors	5	80,193,100	26,183,100
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		(3,531,305)	50,478,695
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		50,445,695	50,478,695
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	38,224,290	38,224,290
Share premium account		1,935,833	1,935,833
Other reserves		320,219	320,219
Profit and loss account	7	9,965,353	9,998,353
		50,445,695	50,478,695
Analysed as follows:			
Non-equity		400,000	400,000
Equity		50,045,695	50,078,695
Total shareholders' funds		50,445,695	50,478,695

Approved by the Board on 2 December 2002



R Wood - Director



D T Walters - Director

# L B (Stewartby) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Going concern*

The accounts have been prepared on a going concern basis as other group companies have undertaken to continue to support the company.

### 2. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
UK corporation tax:		
Current tax on loss for the year	—	—
	<u>—</u>	<u>—</u>
	—	—
	<u>—</u>	<u>—</u>

#### *Factors affecting the tax charge for the period*

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2001 £	2000 £
Loss on ordinary activities before tax	(33,000)	—
Loss on ordinary activities multiplied by standard rate of corporation tax	<u>—</u>	<u>—</u>
In the UK of 30% (2001: 30%)	(9,900)	—
Effects of:		
Non-taxable diminution in value of investments	9,900	—
Current tax on loss for the year	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

# L B (Stewartby) Limited

## NOTES TO THE ACCOUNTS

at 31 December 2001

### 3. FIXED ASSET INVESTMENTS

Subsidiary undertakings

	£
<i>Shares at cost:</i>	
At 1 January 2001	—
Additions	54,010,000
At 31 December 2001	54,010,000
<i>Amounts provided:</i>	
Provided during the year	33,000
At 31 December 2001	33,000
<i>Net book value</i>	
At 31 December 2001	53,977,000
At 1 January 2001	—

The principal subsidiary undertakings at 31 December 2001, all of which were registered in England and Wales, were:-

	Proportion of ordinary shares held
London Brick Panel Fencing Limited	100%
Speedypaper Limited	100%
Hanson Brick Netherlands Holdings Limited	100%
Banbury Alton Limited	100%
London Brick Company Limited	100%
Transformers Watford Limited	100%
Stewartby Housing Association Limited	100%
London Brick Engineering Limited	100%

All of the companies are investment holding companies.

In the opinion of the directors, the value of the company's investments is not less than the amount at which they are stated in the balance sheet.

# L B (Stewartby) Limited

## NOTES TO THE ACCOUNTS at 31 December 2001

### 4. DEBTORS

	2001	2000
	£	£
Amounts owed by group undertakings	76,661,795	76,661,795

### 5. CREDITORS

	2001	2000
	£	£
Amounts owed to group undertakings	80,173,368	26,163,368
Other creditors	19,732	19,732
	80,193,100	26,183,100

### 6. EQUITY AND NON-EQUITY SHARE CAPITAL

At 1 January 2001 and 31 December 2001 the company's share capital comprised:

	No.	Authorised £	Allotted, called up and fully paid £
<i>Non-equity:</i>			
5.6% cumulative preference stock of £1 each	400,000	400,000	400,000
<i>Equity:</i>			
New ordinary shares of 1p each	220,549,100	2,205,491	1,454,781
Deferred shares of 25p each	145,578,036	36,394,509	36,369,509
	366,527,136	39,000,000	38,224,290

The 8% cumulative preference stock is irredeemable and has no voting rights. Distribution on liquidation is limited to nominal value plus any arrears of dividend. The deferred shares of 25p each have no preferential rights to dividend and no voting rights. In the event of liquidation they receive no distribution until holders of ordinary shares of 1p each have received £1,000. The holders of the 8% cumulative preference stock have waived the right to dividends.

NOTES TO THE ACCOUNTS  
at 31 December 2001

7. **PROFIT AND LOSS ACCOUNT AND MOVEMENT ON RESERVES**

	2001	2000
	£	£
At beginning of the year	9,998,353	9,998,353
Loss for the year	(33,000)	—
At end of the year	<u>9,965,353</u>	<u>9,998,353</u>

8. **RELATED PARTY TRANSACTIONS**

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

9. **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.