

Registered number
2362253

UDS HOLDINGS (1) LIMITED
DIRECTORS' REPORT AND ACCOUNTS

in respect of the year ended

31 December 2006



UDS HOLDINGS (1) LIMITED

Directors' Report

Directors	G Dransfield R Coulson D J Egan
Secretary	P D Tunnacliffe
Registered office	1 Grosvenor Place, London SW1X 7JH

The Directors present their report and accounts for the year ended 31 December 2006

Principal activities and review of the business

The principal activity of the Company is that of an investment holding company

Results and dividends

The loss for the year amounted to £64,083 and is dealt with as shown in the profit and loss account. The Directors do not recommend the payment of a dividend for the year.

Directors

The Directors shown at the head of this report are currently in office. N Swift resigned on June 1, 2007 and D J Egan was appointed on the same day. G Dransfield and R Coulson served throughout the year.

Annual General Meeting

Pursuant to an Elective Resolution of the Company passed on 19 July 1991 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 S253 of the Companies Act 1985.

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under S386 of the Companies Act 1985.

UDS HOLDINGS (1) LIMITED

Directors' Report

Directors' responsibilities

The Directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 year. In preparing these 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the Company and 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.

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of this Report of the Directors each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and that they have each taken all the steps that ought to have been taken as a Director of the Company to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with provisions of Section 234ZA of the Companies Act 1985.

By order of the Board

P D Tunnacliffe
Secretary
18 October 2007



UDS HOLDINGS (1) LIMITED

Independent auditors' report to the shareholders of UDS HOLDINGS (1) LIMITED

We have audited the accounts of the Company for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 11. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the accounts.

Ernst & Young LLP

Ernst & Young LLP
Registered auditors
London
18 October 2007

UDS HOLDINGS (1) LIMITED
Profit and Loss Account
for the year ended 31 December 2006

	Notes	2006 £	2005 £
Operating profit	2	-	-
Dividends from group undertakings		160,145,055	-
Provision of amounts owed by group undertakings		(102,138)	-
Provision for diminution in value of fixed assets investments		(160,107,000)	(3,000)
Loss on ordinary activities before taxation		(64,083)	(3,000)
Taxation	3	-	-
Retained loss for the financial year/period		<u>(64,083)</u>	<u>(3,000)</u>

Movements in reserves are set out in note 9

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £64,083 for the year ended 31 December 2006 (loss of £3,000 for the period ended 31 December 2005)

UDS HOLDINGS (1) LIMITED
Balance Sheet
at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Investments	4	25,198,000	185,305,000
Current assets			
Debtors	5	168,675,788	9,043,871
Creditors amounts falling due within one year	6	(6,894,782)	(7,305,782)
Net current assets		161,781,006	1,738,089
Net assets		<u>186,979,006</u>	<u>187,043,089</u>
Capital and reserves			
Called up share capital	7	102	102
Share premium	8	186,428,898	186,428,898
Profit and loss account	9	550,006	614,089
Equity shareholders' funds	10	<u>186,979,006</u>	<u>187,043,089</u>

Approved by the Board of Directors
18 October 2007


D J Egan
Director

UDS HOLDINGS (1) LIMITED
Notes to the Accounts
for the year ended 31 December 2006

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards

The Company has taken advantage of the exemption available to it under FRS 1 "Cash Flow Statements" not to prepare a statement of cash flows

Fixed asset investments

Fixed asset investments are stated at cost except where it is required to reflect a provision for a permanent diminution in value

2 Operating profit

	2006	2005
	£	£
This is stated after charging		
Auditors' remuneration	-	-
Directors' remuneration	-	-
	<hr/>	<hr/>
	-	-

Fees for audit and non-audit services provided by Ernst and Young LLP to the Company have been borne by a group undertaking. It is not practicable to ascertain what proportion of such fees relates to the Company

The Directors are also directors of, and were paid by, the ultimate parent undertaking and/or other group undertakings. The Directors do not believe that it is practicable to apportion these emoluments between their services as Directors of the Company and their services as directors of the ultimate parent undertaking and /or other group undertakings

UDS HOLDINGS (1) LIMITED
Notes to the Accounts
for the year ended 31 December 2006

3 Taxation

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

	2006 £	2005 £
Loss on ordinary activities before taxation	<u>(64,083)</u>	<u>(3,000)</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	(19,225)	(900)
Effects of		
Income from UK dividends not taxable	(48,043,517)	-
Provision against amounts due from group undertakings not deductible	30,641	-
Provision for diminution in value of subsidiary undertaking not deductible	48,032,100	900
Imputed interest	2,369,759	(77,332)
Group relief (claimed)/surrendered for nil charge	(2,369,758)	77,332
Current tax charge for the year	<u>-</u>	<u>-</u>

UDS HOLDINGS (1) LIMITED
Notes to the Accounts
for the year ended 31 December 2006

4 Investments

Investments in subsidiary undertakings	Cost £	Provision £	Net Book Value £
At 1 January 2006	185,373,000	(68,000)	185,305,000
Provided in year	-	(160,107,000)	(160,107,000)
Dissolution of Subsidiaries	(160,175,000)	160,175,000	-
At 31 December 2006	<u>25,198,000</u>	<u>-</u>	<u>25,198,000</u>

The dissolution of subsidiaries figure above includes £160,107,000 investment in McIndor Hills Corp. This company is in the process of being dissolved and as a result all the assets in the company have been transferred by the company to its shareholder during the year.

In the opinion of the Directors, the value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet. The principal subsidiary undertakings are as follows:

Company	Country of registration and operation	Shares held Class	Principal activity	Proportion of voting rights and shares held %
UDS Finance Limited	England and Wales	Ordinary	Investment company	100%
McIndor Hills Corporation	England and Wales	Ordinary	Investment company	100%
Peter Pell Limited	England and Wales	Ordinary	Dormant	100%
UDS (Head Office) Limited	England and Wales	Ordinary	Dormant	100%

On 4 April 2006 Brooks Bros (Tailors) Limited was dissolved and on 4 July 2006 UDS Overseas Investments Limited was dissolved. McIndor Hills Corporation is in the process of being dissolved, but this has yet to be completed.

The Company is a wholly-owned subsidiary undertaking of a body incorporated in the European Union and advantage has been taken of S228 of the Companies Act 1985 in that consolidated accounts have not been prepared. The accounts present information about the Company as an individual undertaking.

UDS HOLDINGS (1) LIMITED
Notes to the Accounts
for the year ended 31 December 2006

5 Debtors	2006 £	2005 £
Amounts owed by group undertakings	<u>168,675,788</u>	<u>9,043,871</u>

There are no formal agreements for the repayment of amounts due to or from group undertakings

6 Creditors, amounts falling due within one year	2006 £	2005 £
Amounts owed to group undertakings	<u>6,894,782</u>	<u>7,305,782</u>

7 Share capital	2006 No	2005 No	2006 £	2005 £
Authorised				
Ordinary shares of £1 each	1,000,000	1,000,000	<u>1,000,000</u>	<u>1,000,000</u>
	2006 No	2005 No	2006 £	2005 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	102	102	<u>102</u>	<u>102</u>

8 Share premium	2006 £	2005 £
At 1 January	186,428,898	186,428,898
At 31 December	<u>186,428,898</u>	<u>186,428,898</u>

9 Profit and loss account	2006 £	2005 £
At 1 January	614,089	617,089
Loss for the financial year	(64,083)	(3,000)
At 31 December	<u>550,006</u>	<u>614,089</u>

UDS HOLDINGS (1) LIMITED
Notes to the Accounts
for the year ended 31 December 2006

10 Reconciliation of movement in shareholders' funds	2006	2005
	£	£
At 1 January	187,043,089	187,046,089
Loss for the financial year	(64,083)	(3,000)
At 31 December	<u>186,979,006</u>	<u>187,043,089</u>

11 Group accounts

The immediate parent undertaking of UDS Holdings (1) Limited is Hanson Retail Limited, a company registered in England and Wales and the ultimate parent undertaking at 31 December 2006 was Hanson PLC, a company registered in England and Wales. The largest and smallest group preparing consolidated group accounts which include UDS Holdings (1) Limited is Hanson PLC for the year ended 31 December 2006.

Copies of the accounts of Hanson PLC can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

The Company has taken advantage of the exemption available to it in FRS 8 "Related Party Disclosures" from disclosing transactions with related parties that are part of the Hanson PLC group.

On 23 August 2007, Lehigh UK Limited ("Lehigh") became the owner of the entire share capital of Hanson PLC. Lehigh's immediate and ultimate parent company is HeidelbergCement AG, a company incorporated in Germany. HeidelbergCement AG is the largest and smallest company preparing consolidated accounts including Lehigh, and consequently, from 23 August 2007, HeidelbergCement AG will be the largest and smallest company preparing consolidated accounts including UDS Holdings (1) Limited.