

Registered number  
2362953

HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

in respect of the year ended

31 December 2005



## **HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**

### **Directors' Report**

Directors: G Dransfield  
R Coulson  
N Swift

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 2005.

#### **Principal activities and review of the business**

The Company is a non-trading company.

#### **Results and dividends**

The loss for the year amounted to £607,524 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. R Coulson was appointed as a Director on 1 December 2005 and A C Bolter resigned on the same day. G Dransfield and N Swift served throughout the year.

#### **Directors' Interests**

The Directors have no declarable interest in the share capital of the Company during the year under review.

The shareholding and related interest in Hanson PLC of G Dransfield is disclosed in the Hanson PLC accounts for the year ended 31 December 2005.

*Those of R Coulson and N Swift are disclosed in the accounts of Hanson Holdings (1) Limited for the year ended 31 December 2005.*

#### **Annual General Meeting**

Pursuant to an Elective Resolution of the Company passed on 1 May 1996 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.

## **HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**

### **Directors' Report**

#### **Directors' responsibilities**

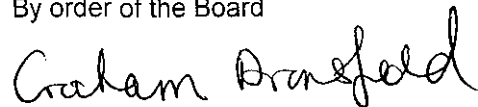
Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing those accounts, the Directors are required to:

- 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.

By order of the Board



G Dransfield  
Director  
26 October 2006

## **HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**

### **Independent auditors' report**

#### **to the members of HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**

We have audited the Company's accounts for the year ended 31 December 2005 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 10. These accounts have been prepared on the basis of 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**

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 (United Kingdom Generally Accepted Accounting Practice).

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 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 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 of the state of affairs of the Company as at 31 December 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young LLP  
Registered Auditor  
London  
26 October 2006

**HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2005**

	Notes	2005 £	2004 £
<b>Operating profit</b>	2	-	-
Provision of diminution in value of fixed assets investments		(607,524)	-
<b>Loss on ordinary activities before taxation</b>		(607,524)	-
Taxation	3	-	-
<b>Retained loss for the financial year</b>		<u>(607,524)</u>	<u>-</u>

Movements in reserves are set out in note 8.

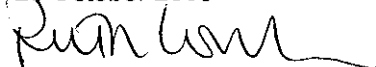
**Statement of total recognised gains and losses**

There are no recognised gains or losses other than the loss of £607,524 for the year ended 31 December 2005 (result of £nil for the year ended 31 December 2004).

**HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**  
**Balance Sheet**  
**at 31 December 2005**

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Investments	4	5,171,476	5,779,000
<b>Current assets</b>			
Debtors	5	27,000	27,000
<b>Net assets</b>		<u>5,198,476</u>	<u>5,806,000</u>
<b>Capital and reserves</b>			
Called up share capital	6	5,809	5,809
Share premium	7	5,803,191	5,803,191
Profit and loss account	8	(610,524)	(3,000)
<b>Equity shareholders' funds</b>	9	<u>5,198,476</u>	<u>5,806,000</u>

Approved by the Board of Directors  
26 October 2006



R Coulson  
Director

**HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2005**

**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**

	2005 £	2004 £
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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.

**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:

	2005 £	2004 £
Loss on ordinary activities before taxation	<hr/> (607,524)	<hr/> -
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(182,257)	-
Effects of:		
Provision for diminution in value of subsidiary undertaking non deductible	182,257	-
Current tax charge for the year	<hr/> -	<hr/> -

**HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2005**

**4 Investments**

	<b>Cost</b>	<b>Provision</b>	<b>Net</b>
	<b>£</b>	<b>£</b>	<b>Book Value</b>
			<b>£</b>
<b>Investments in subsidiary undertakings</b>			
At 1 January 2005	7,503,999	(1,724,999)	5,779,000
Provided in year	-	(607,524)	(607,524)
At 31 December 2005	<u>7,503,999</u>	<u>(2,332,523)</u>	<u>5,171,476</u>

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:

<b>Company</b>	<b>Country of registration and operation</b>	<b>Shares held</b>	<b>Principal activity</b>	<b>Proportion of voting rights and shares held</b>
		<b>Class</b>		<b>%</b>
The British Thermostat Company Limited	England and Wales	Ordinary	Dormant	100
Welbecson Group Limited	England and Wales	Ordinary	Non-trading	100
Frederick Harker (Sack Hire) Limited	England and Wales	Ordinary	Dormant	100
Berry's Electrical Magicoal Limited	England and Wales	Ordinary	Dormant	100
Robinsons of Liverpool Limited	England and Wales	Ordinary	Dormant	100

On 4 July 2006 Robinsons of Liverpool Limited was dissolved.

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.

**5 Debtors**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u>27,000</u>	<u>27,000</u>

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



**HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2005**

<b>6 Share capital</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Authorised:				
Ordinary shares of £1 each	5,809	5,809	<u>5,809</u>	<u>5,809</u>
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	5,809	5,809	<u>5,809</u>	<u>5,809</u>
<b>7 Share premium</b>			<b>2005</b>	<b>2004</b>
			<b>£</b>	<b>£</b>
At 1 January			5,803,191	5,803,191
At 31 December			<u>5,803,191</u>	<u>5,803,191</u>
<b>8 Profit and loss account</b>			<b>2005</b>	<b>2004</b>
			<b>£</b>	<b>£</b>
At 1 January			(3,000)	(3,000)
Loss for the financial year			(607,524)	-
At 31 December			<u>(610,524)</u>	<u>(3,000)</u>
<b>9 Reconciliation of movement in shareholders' funds</b>			<b>2005</b>	<b>2004</b>
			<b>£</b>	<b>£</b>
At 1 January			5,806,000	5,806,000
Loss for the financial year			(607,524)	-
At 31 December			<u>5,198,476</u>	<u>5,806,000</u>

## **HANSON INDUSTRIAL (ENGINEERING HOLDINGS) LIMITED**

### **Notes to the Accounts**

**for the year ended 31 December 2005**

#### **10 Group accounts**

The immediate parent undertaking of Hanson Industrial (Engineering Holdings) Limited is Hanson Industrial Limited, a company registered in England and Wales and the ultimate parent undertaking is Hanson PLC, a company registered in England and Wales. The largest and smallest group preparing consolidated group accounts which include Hanson Industrial (Engineering Holdings) Limited is Hanson PLC for the year ended 31 December 2005.

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.