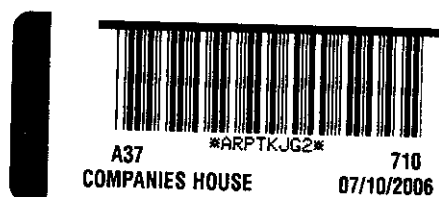


HIPS (TRUSTEES) LTD

**Report and Accounts for year to
31 December 2005**



HIPS (TRUSTEES) LTD

DIRECTORS' REPORT

DIRECTORS: P D TUNNACLIFFE
D J SZYMANSKI
H F MAYFIELD
K J FRASER
G C MCARDLE
S N HILLIER
R A STONE
K SHANKLAND
R COPEMAN

SECRETARY: B R SIMISTER

REGISTERED OFFICE: Valley House, Marston Road, Marston
Moretaine, Bedford MK43 0PP

The directors present their report for the year ended 31 December 2005.

ACCOUNTS

The directors submit the accounts of the Company for year ended 31 December 2005.

The Company is a dormant company within the meaning of Section 252 of the Companies Act 1985 and, in accordance with the special resolution passed on 31 May 2000, no auditors have been appointed.

The Company acts as a Corporate Trustee for the Hanson Industrial Pension Scheme and has not traded on its own account during the period. The Company's only asset is a deposit with its parent company Hanson Holdings (1) Ltd. Consequently the accounts consist of the balance sheet only.

DIRECTORS' INTERESTS

None of the directors had a declarable interest in the share or loan capital of the Company during the year under review.

The interests of R Copeman, K J Fraser, S N Hillier, G C McArdle, H F Mayfield, K Shankland, R A Stone, D J Szymanski and P D Tunnacliffe in Hanson PLC, the ultimate holding Company, are as follows:-

Ordinary shares

	Balance at December 31, 2004	Balance at December 31, 2005
R Copeman	1,479	1,954
K J Fraser	1,371	2,445
H F Mayfield	7,843	7,993
K Shankland	9,764	11,395
D J Szymanski	11,733	11,733
P D Tunnacliffe	23,718	17,000

Sharesave scheme – options to subscribe for ordinary shares

	December 31, 2004	Granted during period	Exercised / lapsed during period	Exercise / lapse price	December 31, 2005
R Copeman	934	383	475	318p	842
K J Fraser	1,149	1,439	-	-	2,588
H F Mayfield	5,092	-	-	-	5,092
K Shankland	2,892	-	594	318p	2,298
R A Stone	4,959	-	522	323p	4,437
D J Szymanski	2,912	-	1,188	318p	1,724
P D Tunnacliffe	2,971	-	2,971	318p	0

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 2001, 2002, 2003, 2004 and 2005

	Balance at December 31, 2004	Awarded during period	Vested during period	Lapsed during period	Balance at December 31, 2005
K J Fraser	55,260	25,278	1,821	5,463	73,254
G C McArdle	0	28,194	0	0	28,194
K Shankland	27,554	13,124	1,759	5,279	33,640
D J Szymanski	107,892	35,000	5,279	15,837	121,776
P D Tunnacliffe	107,140	32,082	6,632	19,898	112,692

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, 2002, 2003, 2004 and 2005

	Balance at December 31, 2004	Granted during year	Vested during period	Lapsed during year	Balance at December 31, 2005
K J Fraser	41,868	25,278	3,642	10,928	56,218
D J Szymanski	124,033	35,000	7,038	21,116	137,917
P D Tunnacliffe	116,243	32,082	6,632	19,898	128,427

Notes

1. All directors served throughout the year under review.
2. 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 2005 was 451.5p to 640p per ordinary share.
3. The market price for Hanson ordinary shares on 31 December 2005 was 639p per ordinary share.
4. Conditional options granted during the year under the Share Option Plan were at a subscription price of 514.3p per share.
 5. At December 31, 2005, P D Tunnacliffe also held a non-beneficial interest in 88,447 ordinary shares, on behalf of the Hanson employee share trust.
 6. 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.


5 October 2006

ANNUAL GENERAL MEETING

Pursuant to the Elective Resolution of the Company passed on 31 May 2000, 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 giving due notice to that effect in accordance with Section 253 of the Companies Act 1985.

By order of the Board

Brian Simister
Secretary

HIPS (TRUSTEES) LTD

BALANCE SHEET – 31 December 2005

	Notes	2000 £
CURRENT ASSETS		
Amounts due from parent company		<u>2</u>
CAPITAL AND RESERVES		
Called up Share Capital	3	<u>2</u>

a) For the year ended 31 December 2005 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

b) Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985.

c) The directors acknowledge their responsibility for:-

i) ensuring the Company keeps accounting records which comply with section 221;

and

ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

P D Tunnacliffe




Director

B R Simister

Secretary

HIPS (TRUSTEES) LTD

NOTES ON THE ACCOUNTS - 31 December 2005

1. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

2. PROFIT AND LOSS ACCOUNT

No profit and loss accounts has been prepared as the Company has not traded during the period.

3. CALLED UP SHARE CAPITAL

At 31 December 2004 and 31 December 2005 the share capital of the Company was:-

	Authorised	Issued & Fully Paid
	£	£
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

- 4.** The immediate holding company is Hanson Holdings (1) Ltd. The ultimate holding Company is Hanson PLC, which is incorporated in Great Britain.