

COMPANY NO 3942183

HIPS (TRUSTEES) LTD

**Report and Accounts for year to
31 December 2001**



HIPS (TRUSTEES) LTD

DIRECTORS' REPORT

DIRECTORS: P D TUNNACLIFFE
D J SZYMANSKI
H F MAYFIELD
S M LANE
J K HOPKINS
S N HILLIER
G V FROST
K SHANKLAND
R COPEMAN

SECRETARY: B R SIMISTER

REGISTERED OFFICE: Valley House, Marston Road, Marston Moretaine,
BEDFORD MK43 OPP

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

ACCOUNTS

The directors submit the accounts of the Company for year ended 31 December 2001.

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

Changes in directors:

R C Manning	appointed 31/5/2000	resigned 13/7/2001
S R Fernley	appointed 31/5/2000	resigned 28/9/2001
P D Tunnaclyffe	appointed 19/2/2001	
P J Faulkner	appointed 17/7/2001	resigned 01/3/2002
J K Hopkins	appointed 28/9/2001	
K Shankland	appointed 01/3/2002	

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 the directors in Hanson PLC, the ultimate holding company, are as follows:-

Ordinary shares

	Balance at Dec 31, 2000*	Balance at Dec 31, 2001
R Copeman	1,000	1,000
P J Faulkner	3,277	4,569
G V Frost	0	1,394
J K Hopkins	5,507	5,507
S Lane	200	200
H F Mayfield	3,000	3,000
D J Szymanski	2,665	2,639
P D Tunnacliffe	8,211	18,348

Executive share option scheme – options to subscribe for ordinary shares

	31 December 2000*	Exercised during year	31 December 2001
P J Faulkner	30,701	-	30,701
J K Hopkins	81,824	81,824	-
H Mayfield	2,771	-	2,771

Sharesave scheme – options to subscribe for ordinary shares

	31 December 2000*	Granted during year	Exercised / lapsed during year	Exercise / lapse price	31 December 2001
R Copeman	479	-	-	-	479
P J Faulkner	7,466	-	-	-	7,466
G V Frost	8,453	-	-	-	8,453
J K Hopkins	7,563	-	-	-	7,563
S M Lane	1,270	-	-	-	1,270
H Mayfield	7,223	-	-	-	7,223

P D Tunnacliffe	3,679	2,263	3,679	237p	2,263
-----------------	-------	-------	-------	------	-------

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.

	Balance at 31 December 2000*	Awarded during year	Vested during year	Lapsed during year	Balance at 31 December 2001
P J Faulkner	40,840	0	2,153	10,147	28,540
G V Frost	15,213	1,000	2,323	5,819	8,071
J K Hopkins	79,203	0	9,178	12,900	57,125
S M Lane	31,805	7,606	3,762	9,304	26,345
D J Szymanski	57,623	23,240	3,668	16,608	60,587
P D Tunnacliffe	52,173	23,242	16,896	0	58,519

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.

	Balance at 31 December 2000*	Granted during year	Exercised / Lapsed during year	Balance at 31 December 2001
D J Szymanski	-	23,242	-	23,242
P D Tunnacliffe	-	23,242	-	23,242

Notes

1. P D Tunnacliffe was appointed as a director of the Company on 19 February 2001, P J Faulkner was appointed as a director of the Company on 17 July 2001 and J K Hopkins was appointed as a director of the Company on 28 September 2001.
2. The range of 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.
3. The market price for Hanson ordinary shares on 31 December 2001 was 474p.

4. Conditional options granted during the year under the Share Option Plan were at a subscription price of 473.3p per share.
5. Options granted during the year under the Sharesave Scheme were at an exercise price of 428p per share.
6. At December 31, 2001, P D Tunnacliffe also held a non-beneficial interest in 72,363 ordinary shares on behalf of the Hanson employee share trust.
7. 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.

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



B R Simister
Secretary

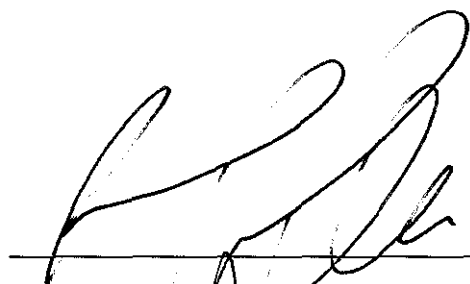
HIPS (TRUSTEES) LTD

BALANCE SHEET - 31 December 2001

	Notes	2000 £
CURRENT ASSETS		
Amounts due from parent company		2 ===
CAPITAL AND RESERVES		
Called up Share Capital	3	2 ===

- a) For the year ended 31 December 2001 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 2001

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 2000 and 31 December 2001 the share capital of the Company was:

	Authorised £	Issued & Fully Paid £
2 Ordinary Shares of £1 each	2 ===	2 ===

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