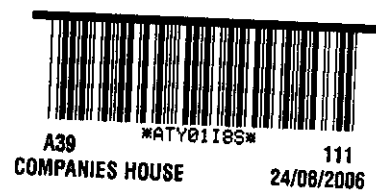


**TIMESOUND LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**IN RESPECT OF THE PERIOD FROM**

**17 SEPTEMBER 2004 TO 31 DECEMBER 2004**



**DIRECTORS' REPORT**

Directors: R Coulson  
G Dransfield  
N Swift  
E J Laurie

Secretary: P D Tunnacliffe

Registered Office: 1 Grosvenor Place, London SW1X 7JH

The Directors present their first report and the audited accounts of the Company for the period from 17 September 2004 to 31 December 2004.

**INCORPORATION**

The Company was incorporated on 17 September 2004.

**SHARE CAPITAL**

On incorporation, the authorised share capital was 1,000 ordinary shares of €1.00 each and 1 ordinary share of €1.00 was issued to SDG Secretaries Limited at par value. The issued share was transferred to St. Marius Sarl. on 23 September 2004 at par value.

On 1 October 2004, 100,000,000 'A' redeemable shares of €1.00 each were authorised and on 6 October 2004, 95,842,055 'A' redeemable shares of €1.00 each were issued to St. Marius Sarl. Under the terms of the subscription, \$50,000 was paid to the Company on 6 October, 2004 and an additional payment of \$622,646 was made on 22 December, 2004. Further payments of \$2,642,625 and \$92,526,784 are due on 22 December, 2005 and 14 December, 2006.

All shareholdings were sold by St Marius Sarl to St Nicolas Sarl on 6 October 2004.

**PRINCIPAL ACTIVITY**

The Company is a non trading company.

**RESULTS AND DIVIDENDS**

The profit for the period amounted to €682,154 and is dealt with as shown in the profit and loss account. The Directors do not recommend the payment of a dividend.

**DIRECTORS' REPORT (continued)**

**DIRECTORS**

On incorporation on 17 September 2004, SDG Registrars Limited was appointed as Director and SDG Secretaries Limited was appointed as Company Secretary. On the same day, SDG Registrars Limited and SDG Secretaries Limited resigned as Director and Company Secretary respectively.

G Dransfield, A C Bolter, and N Swift were appointed as Directors on 17 September 2004 and E J Laurie was appointed on 30 September 2004. A C Bolter resigned on 1 December 2005 and R Coulson was appointed on the same day.

P D Tunnacliffe was appointed as Company Secretary on 17 September 2004.

**DIRECTORS' INTERESTS**

None of the Directors currently in office had any declarable interests in the share capital of the Company during the period under review.

SDG Secretaries Limited subscribed for the 1 ordinary share of €1.00 on incorporation and disposed of its shareholding to St. Marius Sarl, a group undertaking, on 23 September 2004.

The shareholding and related interest in Hanson PLC of G Dransfield is disclosed in the Hanson PLC accounts for the period ended 31 December 2004. Those of A Bolter, N Swift, and E J Laurie are disclosed in the accounts of Houserate Limited.

**ANNUAL GENERAL MEETING**

Pursuant to the Elective Resolution of the Company passed on 18 October 2004, 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 was appointed as the Company's auditor on 23 September 2004. Pursuant to the Elective Resolution of the Company passed pursuant to S386 of the Companies Act 1985, the Company has dispensed with the need to appoint auditors annually.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the Directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss 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.

By order of the Board

P D Tunnacliffe  
Secretary  
8 August 2006

A handwritten signature in black ink, appearing to be 'P D Tunnacliffe', written over a light blue horizontal line.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIMESOUND LIMITED**

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We have audited the Company's accounts for the period ended 31 December 2004 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 7. 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 S235 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.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TIMESOUND LIMITED (continued)**

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**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2004 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London  
8 August 2006

**TIMESOUND LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2004**

	<u>Note</u>	<u>2004</u> <u>€</u>
Bank interest receivable		85
Unwinding of discount on debtors		<u>682,069</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	682,154
Taxation	3	<u>-</u>
PROFIT FOR THE PERIOD		<u><u>682,154</u></u>

Movements on reserves are set out in note 5.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit of €682,154 for the period ended 31 December 2004.

**TIMESOUND LIMITED**

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**BALANCE SHEET AT 31 DECEMBER 2004**

	<u>Note</u>	<u>31 December</u> <u>2004</u> €
CURRENT ASSETS		
Amounts due from group undertakings		3,284,900
Cash at Bank		1
DEBTORS DUE AFTER ONE YEAR		
Amounts due from group undertakings		<u>87,447,254</u>
TOTAL ASSETS		<u>90,732,155</u>
CAPITAL AND RESERVES		
Called up share capital	4	90,050,001
Capital reserve	5	682,069
Profit and loss account	5	<u>85</u>
Total shareholders' funds	6	<u>90,732,155</u>
Represented by:		
Equity shareholders' funds		86
Non-equity shareholders' funds		<u>90,732,069</u>
		<u>90,732,155</u>

Approved by the Board of Directors  
8 August 2006



R Coulson  
Director



**NOTES TO THE ACCOUNTS – 31 DECEMBER 2004****1 ACCOUNTING POLICY****Accounting convention**

The accounts are 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.

**Share issues**

Share issues are recorded at the net present value of the proceeds receivable in accordance with FRS 4. Proceeds receivable are discounted at the effective rate implicit in the cash flows to be made. The unwinding of the discount is taken to the profit and loss account and transferred to capital reserves.

**2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging:

	<u>2004</u> <u>€</u>
Auditors’ remuneration	-
Directors’ remuneration	-
	<u>                    </u>

Fees for audit and non-audit services provided by Ernst & 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 period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2004</u> <u>€</u>
Profit on ordinary activities before taxation	682,154
Profit on ordinary activities before taxation at standard rate (30%)	204,646
Effects of:	
Permanent difference	(204,620)
Group relief received for nil charge	(26)
Current tax charge for the period	<u>                    </u> -

**NOTES TO THE ACCOUNTS – 31 DECEMBER 2004****4 SHARE CAPITAL**

	<u>Number</u>	<u>Value</u> €
<b>Authorised</b>		
<b>Ordinary shares of €1 each</b>		
As at incorporation and at 31 December 2004	<u>1,000</u>	<u>1,000</u>
<b>“A” redeemable shares of €1 each</b>		
As at incorporation	-	-
Authorised during the period	<u>100,000,000</u>	<u>100,000,000</u>
As at 31 December 2004	<u>100,000,000</u>	<u>100,000,000</u>
	<u>Number</u>	<u>Value</u> €
<b>Issued, and called up</b>		
<b>Ordinary shares of €1 each</b>		
As at incorporation and at 31 December 2004	<u>1</u>	<u>1</u>
<b>“A” redeemable shares of €1 each</b>		
As at incorporation	-	-
Issued during the period	<u>95,842,055</u>	<u>90,050,000</u>
As at 31 December 2004	<u>95,842,055</u>	<u>90,050,000</u>
Total		<u>90,050,001</u>

All shares shall rank parri passu in all respects save that:

**“A” Redeemable Shares**

- The Company may give notice in writing and upon tendering to a registered holder, redeem at par any “A” redeemable share at any time after and including the date upon which such “A” redeemable share is deemed to be credited fully paid and such holder shall be bound to deliver up any certificate which he may be representing the same and upon redemption, the name of the registered holder shall be removed from the Register and the “A” redeemable share which has been redeemed shall be cancelled; and
- Any subscriber of “A” redeemable shares, which are allotted and issued to that subscriber shall remain liable to the Company to pay any amounts due to the Company on those shares notwithstanding any transfer of such shares to a third person.

# **TIMESOUND LIMITED**

## **NOTES TO THE ACCOUNTS – 31 DECEMBER 2004**

### **5 RESERVES**

	<u>Profit and Loss Account</u> €	<u>Capital Reserves</u> €	<u>Total</u> €
At 17 September 2004	-	-	-
Profit for the period	682,154	-	682,154
Transfers to capital reserve	(682,069)	682,069	-
At 31 December 2004	<u>85</u>	<u>682,069</u>	<u>682,154</u>

Capital reserves represent the unwinding of the discount on debtors and are non-distributable, shareholders' funds.

### **6 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>Non-equity shareholders' funds</u> US\$	<u>Equity shareholders' funds</u> US\$	<u>Total shareholders' funds</u> US\$
Issue of ordinary shares at incorporation	-	1	1
Issue of redeemable shares on 6 October 2004	90,050,000	-	90,050,000
Profit for the period	<u>682,069</u>	<u>85</u>	<u>682,154</u>
Shareholders' funds at 31 December 2004	<u>90,732,069</u>	<u>86</u>	<u>90,732,155</u>

### **7 GROUP ACCOUNTS**

The immediate parent undertaking of Timesound Limited is St. Nicolas Sarl, a company registered in Luxembourg. The largest and smallest group preparing consolidated group accounts which include Timesound Limited is Hanson PLC, a company registered in England and Wales.

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.