

Registered number  
SC003848

LINDUSTRIES LIMITED  
DIRECTORS' REPORT AND ACCOUNTS

in respect of the year ended

31 December 2006



## **LINDUSTRIES LIMITED**

### **Directors' Report**

Directors	G Dransfield R Coulson D J Egan
Secretary	P D Tunnacliffe
Registered office	4th Floor Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN

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 profit for the year amounted to £20,738,680 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 and D J Egan was appointed on 1 June 2007. All other Directors served throughout the year.

#### **Annual General Meeting**

Pursuant to an Elective Resolution of the Company passed on 7 July 1998 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.

## **LINDUSTRIES 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 Tunncliffe  
Secretary  
18 October 2007



## LINDUSTRIES LIMITED

### Independent auditors' report to the shareholders of LINDUSTRIES LIMITED

We have audited the accounts of Lindustries Limited 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

**LINDUSTRIES LIMITED**  
**Profit and Loss Account**  
**for the year ended 31 December 2006**

	<b>Notes</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Operating profit</b>	<b>2</b>		
Release of provision for amounts due from group undertakings			3,331,045
Dividends from subsidiaries		20,882,857	
Debt forgiven to group undertakings			(3,331,045)
Debt forgiven by group undertakings		3,175	
Provision of diminution in value of fixed assets investments		(147,352)	
Loss on dissolution of subsidiaries			(7,810)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>20,738,680</b>	<b>(7,810)</b>
Taxation	<b>3</b>		
<b>Retained profit/(loss) for the financial year</b>		<u><b>20,738,680</b></u>	<u><b>(7,810)</b></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 profit of £20,738,680 for the year ended 31 December 2006 (loss of £7,810 for the year ended 31 December 2005)

**LINDUSTRIES LIMITED**  
**Balance Sheet**  
**at 31 December 2006**

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Investments	4	598,387	745,739
<b>Current assets</b>			
Debtors	5	197,392,663	197,392,663
<b>Creditors amounts falling due within one year</b>	6	(153,459,889)	(174,345,921)
<b>Net current assets</b>		43,932,774	23,046,742
<b>Net assets</b>		<u>44,531,161</u>	<u>23,792,481</u>
<b>Capital and reserves</b>			
Called up share capital	7	6,951,758	6,951,758
Share premium	8	4,673,640	4,673,640
Profit and loss account	9	32,905,763	12,167,083
<b>Shareholders' funds</b>	10	<u>44,531,161</u>	<u>23,792,481</u>
Disclosed as			
Equity shareholders' funds		42,331,161	21,592,481
Non equity shareholders' funds	7	<u>2,200,000</u>	<u>2,200,000</u>
		<u>44,531,161</u>	<u>23,792,481</u>

Approved by the Board of Directors



D J Egan  
Director  
18 October 2007

**LINDUSTRIES 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

<b>2 Operating profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Auditors' remuneration		
Directors' remuneration		

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

**LINDUSTRIES 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

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	<u>20,738,680</u>	<u>(7,810)</u>
Standard rate of corporation tax in the UK	30%	30%
	<b>£</b>	<b>£</b>
Profit/ (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	6,221,604	(2,343)
Effects of		
Income from UK dividends not taxable	(6,264,857)	
Release of provision against amount due from group undertakings not taxable		(999,314)
Provision for diminution in value of subsidiary undertaking not deductible	44,206	
Group relief surrendered for nil charge	(1,856,634)	(2,093,964)
Imputed interest and other permanent differences	1,856,634	2,093,964
Debt forgiven by group undertaking not taxable	(953)	
Loss on dissolution of fixed asset investment not deductible		2,343
Debt forgiven to group undertakings not deductible		999,314
Current tax charge for the year	<u>                    </u>	<u>                    </u>

**LINDUSTRIES LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

**4 Investments**

	<b>Cost £</b>	<b>Provision £</b>	<b>Net Book Value £</b>
<b>Investments in subsidiary undertakings</b>			
At 1 January 2006	3,081,146	(2,335,407)	745,739
Disposals	(304,028)	304,028	
Dissolution of subsidiaries	(157,352)	157,352	
Provided in year		(147,352)	(147,352)
At 31 December 2006	<u>2,619,766</u>	<u>(2,021,379)</u>	<u>598,387</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 as at 31 December 2006 are as follows

<b>Company</b>	<b>Country of registration and operation</b>	<b>Shares held  Class</b>	<b>Principal activity</b>	<b>Proportion of voting rights and shares held %</b>
Delmorgal Limited	England and Wales	Ordinary	Non trading company	100%
Traveller International Limited	England and Wales	Ordinary	Non trading company	100%
Imperial Seafoods Limited	England and Wales	Ordinary	Dormant	100%
Ainsworth & Sons Limited	England and Wales	Ordinary	Dormant	100%
Imperial Foods Holdings Limited	England and Wales	Ordinary	Non trading company	100%
Lindustries Exports Limited	England and Wales	Ordinary	Dormant	100%

The following subsidiary undertakings were dissolved during the year Lindustries (D) Limited was dissolved on 10 October 2006 and Teddington Refrigeration Controls Limited was dissolved on 16 May 2006

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

**LINDUSTRIES LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>5 Debtors</b>	<b>2006 £</b>	<b>2005 £</b>
Amounts owed by group undertakings	<u>197,392,663</u>	<u>197,392,663</u>

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

<b>6 Creditors amounts falling due within one year</b>	<b>2006 £</b>	<b>2005 £</b>
Amounts owed to group undertakings	<u>153,459,889</u>	<u>174,345,921</u>

<b>7 Share capital</b>	<b>2006 No</b>	<b>2005 No</b>	<b>2006 £</b>	<b>2005 £</b>
Authorised				
Ordinary shares of 25p each	19,007,032	19,007,032	4,751,758	4,751,758
3 5% cumulative preference shares of £1 each	1,100,000	1,100,000	1,100,000	1,100,000
4 2% preferred ordinary shares of £1 each	1,100,000	1,100,000	1,100,000	1,100,000
			<u>6,951,758</u>	<u>6,951,758</u>
	<b>2006 No</b>	<b>2005 No</b>	<b>2006 £</b>	<b>2005 £</b>
Allotted, called up and fully paid				
Ordinary shares of 25p each	19,007,032	19,007,032	4,751,758	4,751,758
3 5% cumulative preference shares of £1 each	1,100,000	1,100,000	1,100,000	1,100,000
4 2% preferred ordinary shares of £1 each	1,100,000	1,100,000	<u>1,100,000</u>	<u>1,100,000</u>
Total			<u><u>6,951,758</u></u>	<u><u>6,951,758</u></u>

The cumulative preference shares carry a dividend of 3 5% per annum payable out of the profits of the Company available for dividends each year. The dividend rights are cumulative. All dividends for current and prior years have been paid or waived.

The preferred ordinary shares carry a dividend of 4 2% per annum payable out of the profits of the Company available for dividends each year after payment of the cumulative preference shareholders dividend. The dividend rights are non cumulative. All dividends for current and prior years have been paid or waived.

The cumulative preference shares and preferred ordinary shares carry no votes at meetings unless the audited accounts show that the dividend has not been earned or the meeting includes any resolutions for the sale, reconstruction, reduction in capital or winding up of the Company. In such an event each holder will be entitled to four votes per share.

On winding up of the Company the cumulative preference shareholders have a right to receive, in preference to the preferred ordinary shareholders and the ordinary shareholders, £1 per share plus all arrears of dividends and accrued dividends. The preferred ordinary shareholders have a right to receive, in preference to the ordinary shareholders, £1 per share.

**LINDUSTRIES LIMITED**  
**Notes to the Accounts**  
**for the year ended 31 December 2006**

<b>8 Share premium</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	4,673,640	4,673,640
At 31 December	<u>4,673,640</u>	<u>4,673,640</u>
<b>9 Profit and loss account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	12,167,083	12,174,893
Profit/(loss) for the financial year	20,738,680	(7,810)
At 31 December	<u>32,905,763</u>	<u>12,167,083</u>
<b>10 Reconciliation of movement in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At 1 January	23,792,481	23,800,291
Profit/(loss) for the financial year	20,738,680	(7,810)
At 31 December	<u>44,531,161</u>	<u>23,792,481</u>

**11 Group accounts**

The immediate parent undertaking of Lindustries Limited is Hanson Overseas Holdings 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 Lindustries 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 Lindustries Limited.