

Lindustries Limited

Report and Accounts

31 December 1999

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COMPANIES HOUSE 11/10/00

Registered No. 3848

DIRECTORS

G Dransfield

J R Read

K J Ludlam

SECRETARY

P D Tunnacliffe

AUDITORS

Ernst & Young

Becket House

1 Lambeth Palace Road

London

SE1 7EU

REGISTERED OFFICE

George House

50 George Square

Glasgow G2 1RR

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 1999.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £49,228 and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company is a divisional holding company within the Hanson PLC group of companies. The principal subsidiary undertakings and their activities are listed in note 5 to the accounts.

YEAR 2000

An internal review has been carried out of the impact on management information and operating systems both in administrative and production environments, and the change over to the new millennium has not caused any major disruption or involved significant cost to the company. Full details are disclosed in Hanson PLC group accounts for the year.

DIRECTORS AND THEIR INTERESTS

The directors of the company at the date of this report are listed on page 2. S J Hurrell resigned as a director on 22 October 1999 and J R Read was appointed a director on that date. The remaining directors served throughout the year under review.

None of the directors had any declarable interest in the share or loan 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 1999. The interest of K J Ludlam and J R Read in Hanson PLC are disclosed in the accounts of Houserate Ltd for the year ended 31 December 1999.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 of the company 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.

DIRECTORS' REPORT (Continued)

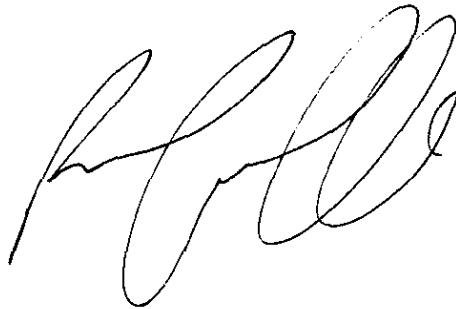
ANNUAL GENERAL MEETING

Pursuant to the 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 Section 253 of the Companies Act 1985.

AUDITORS

Ernst & Young, having expressed their willingness, will continue in office as auditors.

By order of the Board
P D Tunnacliffe
Secretary

A handwritten signature in black ink, appearing to be 'P D Tunnacliffe', written in a cursive style.

2 October 2000

REPORT OF THE AUDITORS
to the members of Lindustries Limited

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

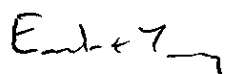
Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

2 October 2000

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
OPERATING COSTS	2	49,228	(2,958)
OPERATING (LOSS)/PROFIT		<u>(49,228)</u>	<u>2,958</u>
Exceptional item: Release of provision relating to discontinued operations		-	288,000
Interest receivable		-	9,478
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(49,228)</u>	<u>300,436</u>
Taxation	3	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(49,228)</u></u>	<u><u>300,436</u></u>

Movements on reserves are set out in note 10.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to ordinary shareholders of £49,228 in the year ended 31 December 1999 (profit of £300,436 in the year ended 31 December 1998).

BALANCE SHEET
at 31 December 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Investments	4	<u>1,995,736</u>	<u>1,995,736</u>
CURRENT ASSETS			
Debtors	5	201,352,960	213,969,372
CREDITORS:			
amounts falling due within one year	6	<u>177,876,807</u>	<u>190,443,991</u>
NET CURRENT ASSETS		<u>23,476,153</u>	<u>23,525,381</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,471,889</u>	<u>25,521,117</u>
 CAPITAL AND RESERVES			
Called up share capital	8	6,951,758	6,951,758
Share premium account		4,673,640	4,673,640
Profit and loss account	9	13,846,491	13,895,719
 SHAREHOLDERS' FUNDS	10,11	<u>25,471,889</u>	<u>25,521,117</u>

Approved by the Board of Directors
K J Ludlam - Director


2 October 2000

NOTES TO THE ACCOUNTS
at 31 December 1999

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Deferred taxation

Provision is made when required for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liabilities will crystallise.

Investments in subsidiary undertakings

The company is a wholly owned subsidiary undertaking of a body registered in England and Wales and advantage has been taken of S228(1) of the Companies Act 1985 in that consolidated accounts have not been prepared. The financial statements present information about the company as an individual undertaking.

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. OPERATING COSTS

	1999	1998
		£
Directors' remuneration	-	-
Auditors' remuneration	-	-
Other operating charges/(income)	49,228	(2,958)
	<u>49,228</u>	<u>(2,958)</u>

Certain fees for non-audit services provided by Ernst & Young to the company have been borne by the ultimate parent company. It is not practicable to ascertain what proportion of such fees relates to the company.

NOTES TO THE ACCOUNTS
at 31 December 1999

3. TAXATION

There is no tax charge on the profit for the period due to the availability of company losses.

4. FIXED ASSETS INVESTMENTS

	<i>Subsidiary companies £</i>
Cost:	
At 31 December 1998 and as at 31 December 1999	<u>3,264,589</u>
Provision for permanent diminution in value:	
At 31 December 1998 and at 31 December 1999	<u>1,268,853</u>
Net book amount at 31 December 1999 and 31 December 1998	<u><u>1,995,736</u></u>

In the opinion of the directors, the value of the company's investments in its subsidiary undertakings is not less than the net book amount at which they stated in the balance sheet.

The principal subsidiary undertakings, all of which are dormant at 31 December 1999 are as follows:

<i>Company</i>	<i>Country of registration and operation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>
Delmorgal Limited	England	Ordinary shares	100%
Traveller International Limited	England	Ordinary shares	100%
Imperial Seafoods Limited	England	Ordinary shares	100%

5. DEBTORS

	<i>1999 £</i>	<i>1998 £</i>
Amounts owed by ultimate parent undertaking	1,079,744	1,079,744
Amount owed by fellow group undertakings	<u>200,273,216</u>	<u>212,889,628</u>
	<u>201,352,960</u>	<u>213,969,372</u>

6. CREDITORS

	<i>1999 £</i>	<i>1998 £</i>
Amounts owed to fellow group undertakings	<u>177,876,807</u>	<u>190,443,991</u>

There are no formal arrangements for the repayment of inter company balances.

NOTES TO THE ACCOUNTS
at 31 December 1999

7. **DEFERRED TAXATION**

No provision for deferred taxation at 31 December 1999 is required and there are no potential deferred tax liabilities (1998 - £Nil)

8. **CALLED UP SHARE CAPITAL**

At 31 December 1999 and 31 December 1998 the share capital of the company was:

	<i>Authorised</i> £	<i>Allotted, called up and fully paid</i> £
3.5% cumulative preference shares of £1 each	1,100,000	1,100,000
4.2% preferred ordinary shares of £1 each	1,100,000	1,100,000
Ordinary shares of 25p each	10,300,000	4,751,758
	<u>12,500,000</u>	<u>6,951,758</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 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 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.

9. **PROFIT AND LOSS ACCOUNT**

	£
At 31 December 1998	13,895,719
Loss for the period	(49,228)
At 31 December 1999	<u>13,846,491</u>

NOTES TO THE ACCOUNTS
at 31 December 1999

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
(Loss)/profit attributable to the members of the company	(49,228)	300,436
Opening shareholders' funds	25,521,117	25,220,681
Closing shareholders' funds	<u>25,471,889</u>	<u>25,521,117</u>

11. SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY AND NON EQUITY INTERESTS

	1999 £	1998 £
Non equity shareholders' funds:		
3.5% cumulative preference shares	1,100,000	1,100,000
4.2% preferred ordinary shares	<u>1,100,000</u>	<u>1,100,000</u>
	2,200,000	2,200,000
Equity shareholders' funds	<u>23,271,889</u>	<u>23,321,117</u>
	<u>25,471,889</u>	<u>25,521,117</u>

12. GROUP ACCOUNTS

The parent company of the group of undertakings for which group accounts are drawn up and of which the company is a member is Hanson PLC, registered in England and Wales. Hanson PLC is also the company's ultimate parent company. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Hanson PLC group.