

**LINDUSTRIES LIMITED**

**DIRECTORS REPORT AND ACCOUNTS**

**IN RESPECT OF THE YEAR ENDED**

**31 DECEMBER 2003**



## **DIRECTORS' REPORT**

Directors:                G Dransfield  
                              A C Bolter  
                              N Swift

Secretary:              P D Tunnacliffe

Registered Office:     George House, 50 George Square, Glasgow, G2 1RR

The Directors present their report and the audited accounts of the Company for the year ended 31 December 2003.

## **PRINCIPAL ACTIVITY**

The Company is an investment holding company.

## **RESULTS AND DIVIDENDS**

The profit for the year amounted to £1,124,132. 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. K J Ludlam and J R Read resigned as Directors on 28 May 2003. A C Bolter and N Swift were appointed as Directors on 28 May 2003. G Dransfield served throughout the year.

## **DIRECTORS' INTERESTS**

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 are disclosed in Hanson PLC accounts for the year ended 31 December 2003. Those of A C Bolter are disclosed in the accounts of Viewgrove Investments Limited and those of N Swift in the accounts of Hanson Quarry Products Europe Limited.

## **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 S253 of the Companies Act 1985.

**DIRECTORS' REPORT**

**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.

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

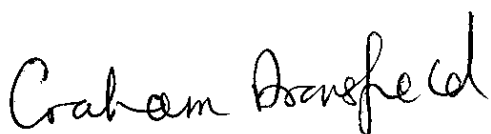
Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those accounts, the Directors are required to:

- 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.

By order of the Board



G Dransfield  
Director  
20 December 2004

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

---

We have audited the Company's accounts for the year ended 31 December 2003 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, and the related notes 1 to 10. 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  
LINDUSTRIES LIMITED (continued)**

---

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London  
20 December 2004

**LINDUSTRIES LIMITED**

---

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	<u>Note</u>	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
Release of amount due to subsidiary undertakings		1,322,765	-
Loss on disposal of fixed asset investment		(175,633)	-
Provision for diminution in value of fixed asset investment		<u>(23,000)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,124,132	-
Taxation	3	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u>1,124,132</u>	<u>-</u>

A statement of movement in the reserves is given in note 8.

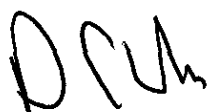
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains and losses for the year ended 31 December 2003 other than the profit of £1,124,132 (£nil for the year ended 31 December 2002).

**LINDUSTRIES LIMITED****BALANCE SHEET AT 31 DECEMBER 2003**

	<u>Note</u>	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
FIXED ASSETS			
Investments	4	1,797,103	1,995,736
CURRENT ASSETS			
Debtors	5	197,392,663	197,392,663
CREDITORS: Amounts falling due within one year	6	<u>(175,789,042)</u>	<u>(177,111,807)</u>
NET CURRENT ASSETS		<u>21,603,621</u>	<u>20,280,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,400,724</u>	<u>22,276,592</u>
CAPITAL AND RESERVES			
Called up share capital	7	6,951,758	6,951,758
Share premium account		4,673,640	4,673,640
Profit and loss account	8	11,775,326	10,651,194
		<u>                    </u>	<u>                    </u>
Shareholders' funds	9	<u>23,400,724</u>	<u>22,276,592</u>
Disclosed as:			
Equity shareholders' funds		21,200,724	20,076,592
Non-equity shareholders' funds		<u>2,200,000</u>	<u>2,200,000</u>
		<u>23,400,724</u>	<u>22,276,592</u>

Approved by the Board of Directors  
20 December 2004



A C Bolter  
Director

**NOTES TO THE ACCOUNTS – 31 DECEMBER 2003****1. ACCOUNTING POLICIES****a) 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.

**b) Fixed asset investments**

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

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging:

	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
Auditors' remuneration	-	-
Directors' remuneration	-	-

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 relate 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 undertaking.

**NOTES TO THE ACCOUNTS – 31 DECEMBER 2003****3. TAXATION**

The tax assessed for the year was lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
Profit on ordinary activities before taxation	1,124,132	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	337,240	-
Effects of:		
Provision for diminution in value of fixed asset investment not deductible	6,900	-
Loss on disposal of fixed asset investment not deductible	52,690	-
Release of amount due to subsidiary undertakings not taxable	(396,830)	-
Current tax charge for the year	-	-

**4. FIXED ASSETS INVESTMENTS**

Investment in subsidiary undertakings:

	<u>Cost</u> <u>£</u>	<u>Provision</u> <u>£</u>	<u>Net Book Value</u> <u>£</u>
At 1 January 2003	3,264,589	(1,268,853)	1,995,736
Disposal	(175,633)	-	(175,633)
Provision against diminution in value	-	(23,000)	(23,000)
At 31 December 2003	3,088,956	(1,291,853)	1,797,103

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 are stated in the balance sheet.

The principal subsidiary undertakings, all of which are dormant at 31 December 2003 are as follows:

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

**NOTES TO THE ACCOUNTS – 31 DECEMBER 2003****4. FIXED ASSETS INVESTMENTS (continued)**

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 accounts present information about the Company as an individual undertaking.

**5. DEBTORS**

	<u>2003</u> £	<u>2002</u> £
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.

**6. CREDITORS: Amounts due falling within one year**

	<u>2003</u> £	<u>2002</u> £
Amounts owed to group undertakings	<u>175,789,042</u>	<u>177,111,807</u>

**7. CALLED UP SHARE CAPITAL**

At 31 December 2002 and 2003 the share capital of the Company was:

	<u>Authorised</u> £	<u>Allotted, called up and fully paid</u> £
5% cumulative preference shares of £1 each	1,100,000	1,100,000
6% preferred ordinary shares of £1 each	1,100,000	1,100,000
Ordinary shares of 25p each	<u>4,751,758</u>	<u>4,751,758</u>
	<u>6,951,758</u>	<u>6,951,758</u>

The cumulative preference shares carry a dividend of 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 6% 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.

**NOTES TO THE ACCOUNTS – 31 DECEMBER 2003****7. CALLED UP SHARE CAPITAL (continued)**

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.

**8. PROFIT AND LOSS ACCOUNT**

	<u>£</u>
As at 31 December 2002	10,651,194
Profit for the year	1,124,132
As at 31 December 2003	<u>11,775,326</u>

**9. SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY AND NON EQUITY INTERESTS**

	<u>2003</u> <u>£</u>	<u>2002</u> <u>£</u>
Non-equity shareholders' funds		
5% cumulative preference shares	1,100,000	1,100,000
6% preferred ordinary shares	1,100,000	1,100,000
	<u>2,200,000</u>	<u>2,200,000</u>
Equity shareholders' funds	21,200,724	20,076,592
Total shareholders' funds	<u>23,400,724</u>	<u>22,276,592</u>

**10. 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 is 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.

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.