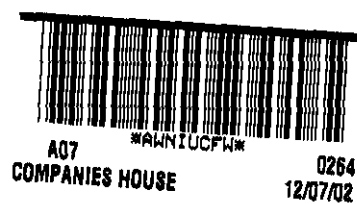


**IMPERIAL GROUP LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**IN RESPECT OF THE YEAR ENDED**

**31 DECEMBER 2001**



# **IMPERIAL GROUP LIMITED**

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## **DIRECTORS' REPORT**

Directors:           G Dransfield  
                      K J Ludlam  
                      J R Read

Secretary:           P D Tunnacliffe

Registered Office:   1 Grosvenor Place, London SW1X 7JH

The directors present their report and the audited accounts of the company for the year ended 31 December 2001.

## **PRINCIPAL ACTIVITY**

The principal activity of the company is that of a group investment holding company.

## **RESULTS AND DIVIDENDS**

The profit for the year amounted to £1,196,051 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 and served throughout the year.

## **DIRECTORS' INTERESTS**

None of the directors had any declarable interests 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 the Hanson PLC accounts for the year ended 31 December 2001. The interests 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 2001.

## **ANNUAL GENERAL MEETING**

Pursuant to the Elective Resolution of the company passed on 19 July 1991, 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.

# **IMPERIAL GROUP LIMITED**

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## **DIRECTORS' REPORT**

### **AUDITORS**

On 28 June 2001, Ernst & Young, the company's auditors, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company in accordance with 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 for that year. In preparing those accounts, the directors are required to:

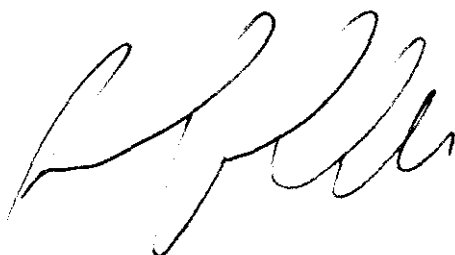
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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  
28 June 2002



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL GROUP LIMITED**

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We have audited the company's financial statements for the year ended 31 December 2001 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

### **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 financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 financial statements, 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2001 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  
28 June 2002

# **IMPERIAL GROUP LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001**

	<u>Note</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Exchange adjustments		<u>1,196,051</u>	<u>2,791,336</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,196,051	2,791,336
Taxation	3	-	-
RETAINED PROFIT FOR THE PERIOD		<u><u>1,196,051</u></u>	<u><u>2,791,336</u></u>

Movements on reserves are set out in note 8.

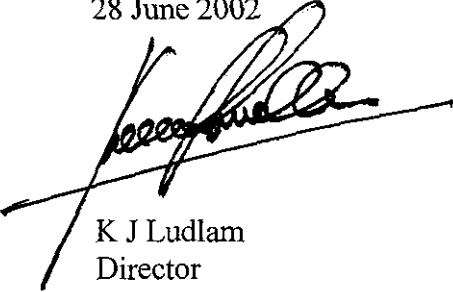
### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit of £1,196,051 in the year ended 31 December 2001 (profit of £2,791,336 in the year ended 31 December 2000).

**IMPERIAL GROUP LIMITED****BALANCE SHEET - 31 DECEMBER 2001**

	<u>Note</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
FIXED ASSETS			
Investment	4	<u>108,000,000</u>	<u>108,000,000</u>
CURRENT ASSETS			
Debtors	5	3,017,570,732	3,017,570,732
CREDITORS – Amounts falling due within one year	6	3,116,075,146	3,117,271,197
NET CURRENT (LIABILITIES)		<u>(98,504,414)</u>	<u>(99,700,465)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,495,586</u>	<u>8,299,535</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	9,495,486	8,299,435
Equity shareholders' funds	9	<u>9,495,586</u>	<u>8,299,535</u>

Approved by the Board of Directors  
28 June 2002



K J Ludlam  
Director

# **IMPERIAL GROUP LIMITED**

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 2001**

### **1 ACCOUNTING POLICIES**

a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable 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) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at period-end rates of exchange. Exchange differences thus arising are reported as part of the profit for the period.

c) Fixed asset investments

Fixed asset investments are stated at cost, except where it is required to provide for diminution in value.

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

This is stated after charging:

	<u>2001</u> £	<u>2000</u> £
Auditors' remuneration	-	-
Directors' emoluments	-	-

Fees for audit and non-audit services provided by Ernst & Young LLP to the company have been borne by the ultimate parent 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 undertaking.

### **3 TAXATION**

No taxation arises on the profit for the year (2000 - £nil), due to the availability of group relief.

# IMPERIAL GROUP LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2001

### 4 FIXED ASSET INVESTMENTS

£

At cost:

At 31 December 2000 and 2001

108,000,000

The principal subsidiary undertakings at 31 December 2001 were:

	Country of Incorporation	Proportion of shares owned Directly	Indirectly
Gainor Inc	Panama	100%	
Ramsey S A	Panama	100%	
Bickleylake Limited	Great Britain		100%
Imperial Foods Limited	Great Britain		100%

All the above companies are investment holding companies.

The company is a wholly owned subsidiary 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. 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.

### 5 DEBTORS

	<u>2001</u> £	<u>2000</u> £
Amounts due from subsidiary undertakings	<u>3,017,570,732</u>	<u>3,017,570,732</u>

### 6 CREDITORS - amounts falling due within one year:

	<u>2001</u> £	<u>2000</u> £
Amounts owed to fellow subsidiary undertakings	<u>3,116,075,146</u>	<u>3,117,271,197</u>

There are no formal agreements for the repayment of amounts owed by or to group undertakings.



# IMPERIAL GROUP LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2001

### 7 SHARE CAPITAL

At 31 December 2000 and 2001 the share capital of the company was:

	<u>Authorised, allotted, called up and full paid</u> <u>£</u>
Ordinary shares of £1 each	<u>100</u>

### 8 PROFIT AND LOSS ACCOUNT

	<u>2001</u> <u>£</u>
At 31 December 2000	8,299,435
Profit for the year	<u>1,196,051</u>
At 31 December 2001	<u>9,495,486</u>

### 9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Profit attributable to shareholders	1,196,051	2,791,336
Opening shareholders' funds	<u>8,299,535</u>	<u>5,508,199</u>
Closing shareholders' funds	<u>9,495,586</u>	<u>8,299,535</u>

### 10 GROUP ACCOUNTS

The immediate parent undertaking of Imperial Group Limited is Hanson Trust 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 group preparing consolidated group accounts which include Imperial Group Limited is Hanson PLC and the smallest group preparing consolidated group accounts is Houserate Limited, a company registered in England and Wales.

Copies of the accounts of Hanson PLC and Houserate Limited 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.