

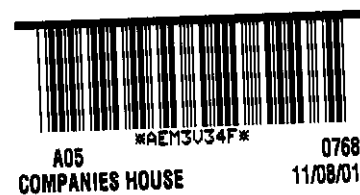
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IMPERIAL GROUP LIMITED

DIRECTORS' REPORT AND ACCOUNTS

IN RESPECT OF THE YEAR ENDED

31 DECEMBER 2000



IMPERIAL GROUP LIMITED

DIRECTORS' REPORT

Directors: G Dransfield
 J R Read
 K J Ludlam

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 2000.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounted to £2,791,336 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 under review.

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 is disclosed in the Hanson PLC accounts for the year ended 31 December 2000. 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 2000.

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 Section 253 of the Companies Act 1985.

DIRECTORS' REPORT

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors have 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 under Section 386 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



9 August 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF IMPERIAL GROUP LIMITED

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

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 2000 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

9 August 2001

IMPERIAL GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Exchange adjustments		<u>2,791,336</u>	<u>1,316,204</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	2,791,336	1,316,204
Taxation	3	-	-
RETAINED PROFIT FOR THE PERIOD		<u><u>2,791,336</u></u>	<u><u>1,316,204</u></u>

Movements on reserves are set out in note 8.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

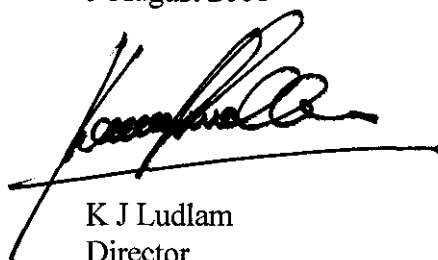
There are no recognised gains or losses other than the profit of £2,791,336 in the year ended 31 December 2000 (profit of £1,316,204 in the year ended 31 December 1999).

IMPERIAL GROUP LIMITED

BALANCE SHEET - 31 DECEMBER 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</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	3,117,271,197	3,120,062,533
NET CURRENT (LIABILITIES)		<u>(99,700,465)</u>	<u>(102,491,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,299,535</u>	<u>5,508,199</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	8,299,435	5,508,099
Equity shareholders' funds	9	<u>8,299,535</u>	<u>5,508,199</u>

Approved by the Board of Directors
9 August 2001



K J Ludlam
Director

IMPERIAL GROUP LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

1 ACCOUNTING POLICIES

a) Accounting convention

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

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.

d) Deferred taxation

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

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Auditors' remuneration	-	-
Directors' emoluments	<u>==</u>	<u>==</u>

Certain fees for non-audit services provided by Ernst & Young 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.

3 TAXATION

No taxation arises on the profit for the year (1999-£nil), due to the availability of group relief.

IMPERIAL GROUP LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

4 FIXED ASSET INVESTMENTS

£

At cost:

At 31 December 1999 and 2000

108,000,000

The principal subsidiary undertakings at 31 December 2000 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 Section 228 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>2000</u> £	<u>1999</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>2000</u> £	<u>1999</u> £
Amounts owed to fellow subsidiary undertakings	<u>3,117,271,197</u>	<u>3,120,062,533</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 2000

7 SHARE CAPITAL

At 31 December 1999 and 2000 the share capital of the company was:

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

8 PROFIT AND LOSS ACCOUNT

	<u>2000</u> £
At 31 December 1999	5,508,099
Profit for the year	<u>2,791,336</u>
At 31 December 2000	<u>8,299,435</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> £	<u>1999</u> £
Profit attributable to shareholders	2,791,336	1,316,204
Opening shareholders' funds	<u>5,508,199</u>	<u>4,191,995</u>
Closing shareholders' funds	<u>8,299,535</u>	<u>5,508,199</u>

10 GROUP ACCOUNTS

The parent undertaking 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 ultimate parent undertaking. Copies of Hanson PLC's accounts can be obtained from 1 Grosvenor Place, London, SW1X 7JH.

The company has taken advantage from the exemption in FRS8 from disclosing related party transactions with members of Hanson PLC group.