

**HANSON OVERSEAS CORPORATION LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**IN RESPECT OF THE YEAR ENDED**

**31 DECEMBER 2002**



## **HANSON OVERSEAS CORPORATION LIMITED**

---

### **DIRECTORS' REPORT**

Directors: G Dransfield  
A C Bolter  
N Swift

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 2002.

### **PRINCIPAL ACTIVITY**

The principal activity of the Company is that of an investment holding company.

### **RESULTS AND DIVIDENDS**

The profit for the year amounted to £nil and is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a final 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 having served throughout the year. 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 is disclosed in the Hanson PLC accounts for the year ended 31 December 2002. 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 2002.

### **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.

**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**

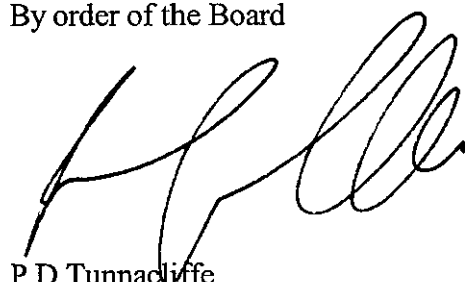
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing those accounts, the directors are required to:

- 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



P D Tunnacliffe  
Secretary  
23 July 2003

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON OVERSEAS CORPORATION LIMITED**

---

We have audited the Company's accounts for the year ended 31 December 2002 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, and the related notes 1 to 9. 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  
HANSON OVERSEAS CORPORATION 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 2002 and of its result 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  
23 July 2003

# **HANSON OVERSEAS CORPORATION LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002**

	<u>Note</u>	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Income from shares in subsidiary undertakings		-	129,999,984
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	-	129,999,984
Taxation	3	-	-
PROFIT FOR THE YEAR		-	129,999,984
DIVIDENDS	4	-	129,990,000
RETAINED PROFIT FOR THE YEAR		-	9,984

Movements in reserves are set out in note 8.

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

There are no recognised gains or losses for the year ended 31 December 2002 (profit of £9,984 for the year ended 31 December 2001).

**HANSON OVERSEAS CORPORATION LIMITED****BALANCE SHEET AT 31 DECEMBER 2002**

	<u>Note</u>	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
<b>FIXED ASSETS</b>			
Investments	5	1,887,000,000	1,887,000,000
<b>CURRENT ASSETS</b>			
Amount due from fellow subsidiary undertakings	6	135,784,358	135,784,358
<b>CURRENT LIABILITIES</b>			
Amount due to fellow subsidiary undertakings	6	(129,990,000)	(129,990,000)
<b>NET CURRENT ASSETS</b>		<u>5,794,358</u>	<u>5,794,358</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,892,794,358</u>	<u>1,892,794,358</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	479,078,465	479,078,465
Share premium		1,408,424,888	1,408,424,888
Profit and loss account		5,291,005	5,291,005
<b>Equity shareholders' funds</b>	8	<u>1,892,794,358</u>	<u>1,892,794,358</u>

Approved by the Board of Directors  
23 July 2003



A C Bolter  
Director

# HANSON OVERSEAS CORPORATION LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002

### 1 ACCOUNTING POLICIES

#### Accounting convention

The accounts are 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 make a provision for diminution in value.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<u>2002</u> £	<u>2001</u> £
Auditors' remuneration	-	-
Directors' remuneration	-	-

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

There is no tax charge in the year ended 31 December 2002.

The tax assessed for the year to 31 December 2001 was lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	<u>2002</u> £	<u>2001</u> £
Profit on ordinary activities before taxation	-	9,984
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	-	2,995
Effects of:		
Group relief not paid for	-	(2,995)
Current tax charge for the year	-	-



# HANSON OVERSEAS CORPORATION LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2002

### 4 DIVIDENDS

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Interim paid: 0.0p (2001: 27.1p) per ordinary share	-	129,990,000

### 5 FIXED ASSET INVESTMENTS

	<u>£</u>
At cost at 31 December 2001 and 2002	1,887,000,000

In the opinion of the directors, the value of the Company's investment in its subsidiary undertaking is not less than the net book amount at which it is stated in the balance sheet.

The subsidiary company is Hanson Overseas Group Limited, a company registered in England and Wales.

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.

### 6 AMOUNTS OWED TO OR FROM GROUP UNDERTAKINGS

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

### 7 SHARE CAPITAL

	<u>Authorised</u> <u>£</u>	<u>Allotted, called up and fully paid</u> <u>£</u>
As at 31 December 2001 and 2002:		
Ordinary shares of £1 each	500,164,541	479,078,465

### 8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Opening shareholders' funds	1,892,794,358	1,892,784,374
Retained profit for the year	-	9,984
Closing shareholders' funds	1,892,794,358	1,892,794,358

## **HANSON OVERSEAS CORPORATION LIMITED**

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 2002**

#### **9 GROUP ACCOUNTS**

The immediate parent undertakings of Hanson Overseas Corporation Limited are Hanson International Holdings Limited and Localdouble Limited, companies 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 Hanson Overseas Corporation 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.