

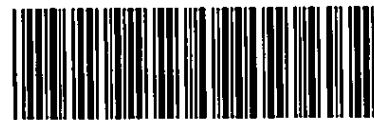
Company Number: 42790

Steetley Engineering Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2006

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Steetley Engineering Limited

Directors report

The directors submit their annual report and the audited accounts of the Company for the year ended 31 December 2006

This directors report has been prepared in accordance with the special provisions relating to small companies under 247A(1A) of the Companies Act 1985

Principal activity

The Company has not traded during the year. During the year and the prior year, it received repayments in respect of debts previously written off and interest income on group receivables. The directors do not anticipate that the Company will commence trading in the foreseeable future.

Directors

The directors who held office throughout the year, except where otherwise stated, are as follows

Mr R A Elliott resigned 13/4/2007
Mr P W J Mills
Ms D Grimson appointed 13/4/2007

Independent auditors


Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Pursuant to s386 of the Companies Act 1985, an elective resolution was passed on 1 November 2005 with the requirement to appoint auditors annually. Therefore Deloitte & Touche LLP are deemed to continue as auditors.

By Order of the Board
for Lafarge Secretaries (UK) Limited



D Grimson
Secretary

3rd July 2007

Granite House
Granite Way
Syston
Leicester
Leicestershire
LE7 1PL

Steetley Engineering Limited

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Independent auditors' report to the members of Steelley Engineering Limited

We have audited the financial statements of Steelley Engineering Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Crawley, United Kingdom

Deloitte & Touche LLP

4 July 2007

Steetley Engineering Limited

Profit and loss account For the Year Ended 31 December 2006

	<i>Note</i>	2006 £'000	2005 £'000
<u>Other operating income</u>		<u>88</u>	<u>8</u>
Operating profit	2	88	8
<u>Interest receivable and similar income</u>	<u>3</u>	<u>13</u>	<u>11</u>
Profit on ordinary activities before taxation		101	19
<u>Tax on profit on ordinary activities</u>	<u>4</u>	<u>-</u>	<u>-</u>
Profit for the financial year	9	101	19

All activities derive from continuing activities

There are no recognised gains or losses other than the profit for the current and prior financial years as shown above. Consequently no statement of total recognised gains and losses is presented.

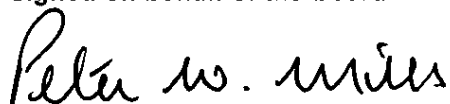
Steetley Engineering Limited

Balance Sheet at 31 December 2006

	Note	2006 £'000	2005 £'000
Current assets			
Debtors	6	2	3
Cash at bank and in hand	7	180	246
Total assets less current liabilities		182	249
Capital and reserves			
Called up share capital	8,9	86	86
Profit and loss account	9	96	163
Total shareholders' funds		182	249

Approved By The Board

On 3rd July 2007
Signed on behalf of the Board



P W J Mills
Director

Steetley Engineering Limited

Notes To The Accounts For The Year Ended 31 December 2006

1 Accounting policies

The particular accounting policies adopted are described below and have been applied consistently in the current and previous financial year

(1) Accounting convention

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

(2) Cash flow statement

The Company is a subsidiary undertaking of Lafarge S A and is consolidated within its published financial statements. Consequently the Company has taken advantage of the exemption given in Financial Reporting Standard 1 (revised) from preparing a cash flow statement

(3) Related party transactions

The Company has taken advantage of the exemption granted in paragraph 3(c) of FRS8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings

(4) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

2 Operating profit

	2006 £'000	2005 £'000
This is stated after crediting		
<u>Bad debt expenses written back</u>	<u>88</u>	<u>8</u>

The auditors' remuneration for both 2005 and 2006 is borne by Redland Limited, a related group undertaking. Other than the directors, the Company had no employees in either financial year. The directors' remuneration for both 2005 and 2006 is borne by a fellow group undertaking

3 Interest receivable and similar income

	2006 £'000	2005 £'000
<u>Interest receivable from intermediate parent undertaking</u>	<u>13</u>	<u>11</u>

Steetley Engineering Limited

Notes To The Accounts For The Year Ended 31 December 2006

4 Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities	2006 £'000	2005 £'000
Total current tax	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 30% (2005 - 30%) The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	101	19
Tax on profit on ordinary activities at standard rate	30	6
Effects of Group relief not paid for	(30)	(6)
Total actual amount of current tax	-	-

No UK current tax charge is borne by the Company, as any tax liability will be settled by Redland Finance Ltd, a fellow group undertaking

5 Dividends paid

	2006 £'000	2005 £'000
Interim dividend paid	168	-

The directors do not propose a final dividend for the year ended 31 December 2006 (2005 £nil)

6 Debtors

	2006 £'000	2005 £'000
Amount owed by intermediate parent company	2	3

7 Cash at bank

The balance shown in the accounts relates to a memorandum account being the Company's portion of a group bank account in the name of Redland Limited, a related group company

Steetley Engineering Limited

Notes To The Accounts For The Year Ended 31 December 2006

8 Called up share capital

	2006 £'000	2005 £'000
Authorised		
90,000 (2005 – 90,000) ordinary shares of £1 each	90	90
Called up, allotted and fully paid		
86,030 (2005 – 86,030) ordinary shares of £1 each	86	86

9 Reconciliation of movement in shareholders funds

	Share capital 2006 £'000	Profit and loss account 2006 £'000	Total 2006 £'000	Total 2005 £'000
At 1 January	86	163	249	230
Profit for the financial year	-	101	101	19
Dividends paid (see note 5)	-	(168)	(168)	-
At 31 December	86	96	182	249

10 Ultimate parent company and controlling entity

The immediate parent company is Lafarge International Holdings Limited, a company registered in England and Wales, and incorporated in Great Britain

Lafarge S A , a company registered in France, is the smallest and largest parent undertaking to consolidate the accounts of the Company Lafarge S A is regarded by the directors as being the Company's ultimate parent company and controlling entity

Copies of the group accounts of Lafarge S A may be obtained from the Stockholder Relations Department, 61, Rue des Belles Feuilles, 75116 Paris, France