

British Agricultural Services Limited

Report and Financial Statements

31st December 2007

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COMPANIES HOUSE

British Agricultural Services Limited

Registered No 416787

Directors

G Dransfield (resigned 30 June 2008)
D J Szymanski
W J Trott
R R Gimmler (resigned 16 June 2008)
D J Egan (appointed 1 June 2007, resigned 16 June 2008)
N Swift (resigned 1 June 2007)
E A Gretton (appointed 2 June 2008)
C Leclercq (appointed 2 June 2008)

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Registered Office

British Agricultural Services Limited
Hanson House
14 Castle Hill
Maidenhead
SL6 4JJ

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2007

Principal activities and review of the business

The principal activities during the year continued to be that of farming and acting as an investment holding company

The Directors are satisfied with the progress of the business during the year and consider the state of affairs at the end of the year to be satisfactory and are expected to continue into 2008

Developments during the year

The company was acquired by Lehigh UK Limited a wholly owned subsidiary of Heidelberg Cement AG on 23 August 2007

Principal risks and uncertainties

The majority of the agricultural land is occupied by long term tenants. The tenants have the right to request a rent reduction but as this is based on present market trends this is not considered to be a significant risk. The current tenants keep the land in good order and there are no rent arrears.

Due to the factor mentioned above the directors of the company do not consider there to be any material risks or uncertainties.

Results and dividends

The profits for the year, after taxation, amounted to £125,000 (2006 £6,982,000). The directors do not recommend the payment of a dividend for the year.

Directors

The directors of the company during the year were as follows

G Dransfield (resigned 30 June 2008)

D J Szymanski

W J Trott

R R Gimmmler (resigned 16 June 2008)

D J Egan (appointed 1 June 2007, resigned 16 June 2008)

N Swift (resigned 1 June 2007)

E A Gretton (appointed 2 June 2008)

C Leclercq (appointed 2 June 2008)

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 financial statements before a general meeting on giving due notice to that effect in accordance with S253 of the Companies Act 1985.

Directors' report

Auditors and disclosure of information to auditors

The Directors who held office at the date of approval of this Report of the Directors each confirm that, so far as they are aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's auditors are unaware, and that they have each taken all the steps that ought to have been taken as a director of the Company 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 in accordance with the provisions of Section 234ZA of the Companies Act 1985

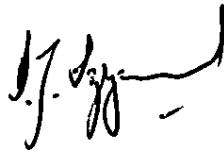
Auditors

Ernst & Young LLP continue in office further to the elective resolution passed by the company under S386 of the Companies Act 1985

These accounts are prepared in accordance with the special provisions (of Part VII) of the Companies Act 1985 relating to small entities

By order of the board

Director



28 SEPTEMBER 2008

Statement of directors' responsibilities in respect of the financial statements

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 of the company for that year. In preparing these financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 to 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 shareholders of British Agricultural Services Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 15. 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 Annual Report and the financial statements in accordance with applicable United Kingdom law and 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 audit 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 judgments 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 2007 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.

Ernst & Young LLP

Registered Auditor

Luton

Date

30/9/08

Profit and loss account

for the year ended 31 December 2007

	Notes	2007 £000	2006 £000
Continuing operations			
Turnover	2	88	134
Cost of sales		(12)	(65)
		<u>76</u>	<u>69</u>
Operating profit			
Profit on disposal of land		–	6,917
Interest receivable		49	–
		<u>125</u>	<u>6,986</u>
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	6	–	(4)
		<u>125</u>	<u>6,982</u>
Profit for the financial year	12	<u>125</u>	<u>6,982</u>

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profits attributable to shareholders of the company of £125,000 in the year ended 31 December 2007 (profit of £6,982,000 in the year ended 31 December 2006)

Balance sheet

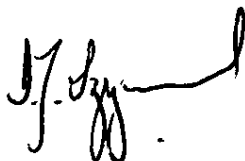
at 31 December 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Tangible assets	7	3,657	3,657
Investments	8	300,000	300,000
		<u>303,657</u>	<u>303,657</u>
Current assets			
Debtors	9	38,522	38,437
Cash in hand		45	6
Creditors , amounts falling due within one year	10	9	9
Net current assets		<u>38,558</u>	<u>38,434</u>
Total assets less current liabilities		<u>342,215</u>	<u>342,090</u>
Capital and reserves			
Called up share capital	11	404	404
Share premium account	12	343,700	343,700
Profit and loss account - adverse balance	12	(1,889)	(2,014)
Equity shareholders' funds		<u>342,215</u>	<u>342,090</u>

These accounts are prepared in accordance with the special provisions (of Part VII) of the Companies Act 1985 relating to small entities

Approved by the Board of Directors

Director



Notes to the financial statements

at 31 December 2007

1. Accounting policies

Accounting convention

The financial statements of British Agricultural Services Limited were approved for issue by the Board of Directors on 28 September 2008

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement

In accordance with FRS1 (revised), the company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking within the Heidelberg group

Related parties

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Heidelberg group

Fixed assets

Property, plant & machinery is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

No depreciation is provided on freehold land and buildings.

The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments

Fixed asset investments are stated at cost less any appropriate provision for diminution in value. The company is a wholly owned subsidiary undertaking of a body incorporated in Germany and advantage has been taken of S248 of the Companies Act 1985 in that consolidated financial statements have not been prepared. The accounts present the results of the parent company as an individual undertaking and not of the group.

Notes to the financial statements

at 31 December 2007

1. Accounting policies (continued)

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

Turnover represents income arising from continuing farming activities during the year and excludes Value Added Tax

Turnover arose wholly within the United Kingdom

3. Operating profit

Auditors' remuneration is borne by Hanson Building Products Limited, a fellow group company

4. Directors' emoluments

There were no directors emoluments during the year (2006 - £nil)

5. Employees

There were no employees during the year (2006 - nil)

Notes to the financial statements

at 31 December 2007

6. Tax on profit on ordinary activities

	2007 £000	2006 £000
UK corporation tax		
Deferred Taxation		
Origination and reversal of timing differences	-	4
	<u>-</u>	<u>4</u>

Factors affecting the tax charge for the period

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

	2007 £000	2006 £000
Profit on ordinary activities before tax	125	6,986
Profit on ordinary activities multiplied by standard rate of corporation tax In the UK of 30% (2006 30%)	38	2,096
Effects of		
Notional transfer of assets disposed in the year	-	(2,075)
Permanent timing differences	2	(3)
Capital allowances in excess of depreciation	(2)	(1)
Group relief not paid for	545	453
Loan pricing adjustment	(583)	(470)
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

7. Tangible fixed assets

	<i>Freehold land £000</i>
Cost	
At 1 January 2007 and 31 December 2007	8,712
Provision for diminution in value	
At 1 January 2007 and 31 December 2007	(5,055)
Net book value	
At 31 December 2007	3,657
At 1 January 2007	3,657

No depreciation is charged on the above assets, which is in line with the accounting policy

Notes to the financial statements

at 31 December 2007

8. Investments

*Subsidiary
undertakings
£000*

Cost	
At 1 January 2007 and 31 December 2007	300,000

Details of the principal subsidiary undertakings are as follows

<i>Name of company</i>	<i>Country of registration and operation</i>	<i>Holding</i>	<i>Nature of business</i>	<i>Proportion of ordinary shares held</i>
Hanson Funding (A) Limited	England and Wales	Ordinary and 'A' ordinary shares	Non-Trading	100%
Hanson Funding (B) Limited	England and Wales	Ordinary shares	Non-Trading	100%
VC Corporation	England and Wales	Ordinary Shares	Non-Trading	100%

In the opinion of the directors, the value of the company's investment in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet

9. Debtors

	<i>2007 £000</i>	<i>2006 £000</i>
Trade debtors	10	22
Amounts due from fellow subsidiary undertakings	32,067	25,199
Amounts due from ultimate parent undertaking	6,445	6,445
Other debtors	–	6,771
	<u>38,522</u>	<u>38,437</u>

Notes to the financial statements

at 31 December 2006

10. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	8	8
Other creditors	1	1
	<u>9</u>	<u>9</u>

11. Share capital

	2007 £000	Authorised 2006 £000
1,000,000 ordinary shares of £1 each	1,000	1,000

	2007 No	2006 No	2007 £000	2006 £000
403,860 ordinary shares of £1 each	403,860	403,860	404	404

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Share premium account £000	Profit loss account £000	Total shareholders' funds £000
At 1 January 2006	404	343,700	(8,996)	335,108
Profit for the year	—	—	6,982	6,982
At 31 December 2006	404	343,700	(2,014)	342,090
Profit for the year	—	—	125	125
At 31 December 2007	404	343,700	(1,889)	342,215

Notes to the financial statements

at 31 December 2006

13. Contingent liabilities and guarantees

At 31 December 2007 the company had a contingent liability amounting to £66.8m (2006 - £66.8m) in respect of uncalled share capital in subsidiary undertakings. There are no securities provided by the company.

14. Related party transactions

The company is a wholly owned subsidiary of HeidelbergCement AG and has therefore taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Heidelberg group.

15. Group financial statements

The company's ultimate parent undertaking is HeidelbergCement AG, a company incorporated in Germany. Copies of the consolidated financial statements of HeidelbergCement AG may be obtained from Berliner Strasse 6, D-69120 Heidelberg, Germany.