

**LAFARGE ROOFING ASIA AMERICAS  
LIMITED**

**Report and Financial Statements**

**31 December 1999**

**Deloitte & Touche  
South East Regional Office  
Global House  
High Street  
Crawley  
West Sussex  
RH10 1DL**



**REPORT AND FINANCIAL STATEMENTS 1999**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the accounts</b>	<b>7</b>

**REPORT AND FINANCIAL STATEMENTS 1999**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

B G F Davis  
P C McAuslan  
D B F Riou

**SECRETARY**

Redland Secretaries Limited

**REGISTERED OFFICE**

Sussex Manor Business Park  
Crawley  
West Sussex  
RH10 2NG

**BANKERS**

Barclays Bank plc  
The Gatwick Group  
90/92 High Street  
Crawley  
West Sussex

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Global House  
High Street  
Crawley  
West Sussex  
RH10 1DL

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### **ACTIVITIES**

The principal activity of the company is to account for the salary, travel and other incidental expenses of the engineering employees who work at Lafarge Roofing group companies throughout the world commissioning machinery and providing project and management services. On completion of the projects such costs are recharged to the respective companies.

### **PROFITS AND DIVIDENDS**

The company's loss before taxation for the year was £626,000 (1998 - £nil).

No interim dividend was paid on the issued ordinary shares and the directors do not recommend the payment of a final dividend for the year.

### **REVIEW OF BUSINESS AND FUTURE PROSPECTS**

The company's position at 31 December 1999 is shown on page 6.

The directors believe the level of activity will continue at its current levels for the foreseeable future.

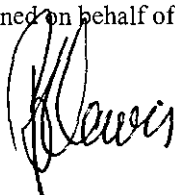
### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year are as listed on page 1. According to the Register of Directors' interests, none of the directors in office at the end of the year had any interest in the share capital of the company or any other group company.

### **AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



B G F Davis  
Director

15<sup>th</sup> June 2001

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 which 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.

## AUDITORS' REPORT TO THE MEMBERS OF

### LAFARGE ROOFING ASIA AMERICAS LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under 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 financial statements, which are required to be prepared 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 statements and to report our opinion to you.

#### Basis of 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 the company's affairs at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE

Chartered Accountants and  
Registered Auditors

25 June 2001

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1999**

	Note	1999 £'000	1998 £'000
<b>TURNOVER</b>	2	133	381
Cost of sales		(133)	(381)
Gross profit		-	-
Administrative expenses		(605)	(421)
Other operating income		-	421
<b>OPERATING LOSS</b>	3	(605)	-
Interest payable and similar charges	5	21	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(626)	-
Tax on loss on ordinary activities	6	(78)	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(704)	-
Retained profit brought forward		-	-
Retained loss carried forward		(704)	-

All the results derive from continuing operations. There are no further recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account. There are no movements in shareholders' funds other than the loss for the year or preceding year.

**BALANCE SHEET**  
**31 December 1999**

	Note	1999 £'000	1998 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	3	11
<b>CURRENT ASSETS</b>			
Stocks	8	591	131
Debtors	9	371	632
Cash at bank and in hand		-	-
		962	763
<b>CREDITORS: amounts falling due within one year</b>	10	(1,569)	(674)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(607)	89
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(604)	100
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account		(704)	-
<b>TOTAL EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS</b>		(604)	100

These financial statements were approved by the Board of Directors on 15<sup>th</sup> June 2001.

Signed on behalf of the Board of Directors

  
B G F Davis  
Director



## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	4 years
Fixtures and fittings	5 to 10 years

**Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

## 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the company's principal activity.

	1999 £'000	1998 £'000
To other group undertakings	133	381
	<u>133</u>	<u>381</u>
	1999 £'000	1998 £'000
Geographical split of turnover		
Australia and Far East	108	375
USA	25	6
	<u>133</u>	<u>381</u>

## 3. OPERATING LOSS

	1999 £'000	1998 £'000
Operating loss is after charging:		
Auditors' remuneration	4	3
Depreciation on own assets	8	-
	<u>12</u>	<u>3</u>

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

## 4. STAFF COSTS

	1999 £'000	1998 £'000
Wages and salaries	549	258
Social security costs	45	21
Other pension costs	54	28
	<u>648</u>	<u>307</u>

	1999 £'000	1998 £'000
Directors' emoluments:		
Remuneration	<u>93</u>	<u>54</u>

The average number of persons employed by the company during the year was as follows:

	1999 No.	1998 No.
Engineering and Manufacturing	<u>11</u>	<u>11</u>

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £'000	1998 £'000
Bank overdraft	<u>21</u>	<u>-</u>

## 6. TAX ON LOSS ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
Withholding taxes	<u>78</u>	<u>-</u>

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

## 7. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 January 1999 and at 31 December 1999	9	2	11
<b>Accumulated depreciation</b>			
At 1 January 1999	-	-	-
Charge for the year	7	1	8
At 31 December 1999	7	1	8
<b>Net book value</b>			
At 31 December 1999	2	1	3
At 31 December 1998	9	2	11

## 8. STOCKS

	1999 £'000	1998 £'000
Work-in-progress	591	131

## 9. DEBTORS

	1999 £'000	1998 £'000
Amounts owed by group undertakings	310	630
Other debtors	61	2
	371	632

Included in amounts owed by group undertakings is £100,000 of unpaid share capital (1998 - £100,000).

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Amounts owed to group undertakings	1,365	512
Other creditors	204	162
	1,569	674

## NOTES TO THE ACCOUNTS

Year ended 31 December 1999

## 11. CALLED UP SHARE CAPITAL

	1999 £'000	1998 £'000
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100	100
<b>Called up and allotted</b>		
100,000 ordinary shares of £1 each	100	100

## 12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Redland International Limited, a company registered in England and Wales and incorporated in Great Britain. Redland International Limited does not prepare consolidated financial statements.

Redland PLC, a company registered in England and Wales, and incorporated in Great Britain, is the smallest parent undertaking to consolidate the accounts of the company.

Copies of the Group accounts of Redland PLC may be obtained from the Company Secretary, Redland PLC, Redland House, Dorking, Surrey, RH4 1TH.

Lafarge SA, a company registered in France, is the largest parent undertaking to consolidate the accounts of the company. Lafarge SA is regarded by the directors as being the company's ultimate parent company and controlling party.

Copies of the Group accounts of Lafarge SA may be obtained from the Stockholder Relations Department, 61 rue des Belles Feuilles, 75116 Paris, France.

## 13. RELATED PARTY TRANSACTIONS

During the year the company made sales of engineering and project management services to group companies of £133,000 (1998 - £381,000). At 31 December 1999 the outstanding balances receivable in respect of these sales were of £3,000 (1998 - £nil).