

Company Number: 2454133

Blue Circle Overseas Finance Limited

Annual Report and Financial Statements

Year ended 31 December 2008

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Blue Circle Overseas Finance Limited

Registered No. 2454133

Annual report and financial statements 2008

Officers and professional advisers

Directors

D R Taylor

C J Mottram

Secretary

C J Mottram

Independent Auditors

Deloitte LLP

Chartered Accountants

Birmingham

Registered Office

Granite House

Granite Way

Syston

Leicester

Leicestershire

LE7 1PL

Blue Circle Overseas Finance Limited

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2008.

This directors report has been prepared in accordance with the special provisions relating to small companies which are members of an ineligible group under s247A(1A) of the Companies Act 1985.

Principal activity

The Company continues to operate as an investment holding company.

Dividends

The directors paid an interim dividend of £300,000 (2007 - £120,000).

The directors do not recommend the payment of a final dividend (2007 – nil),

Going concern

The directors intend to dissolve the Company in the foreseeable future. The directors have therefore prepared the accounts on a basis other than going concern, which included, where appropriate, writing down the Company's assets to net realisable value and providing for any further liabilities that may arise.

Directors

The directors who held office during the year, except where stated otherwise, were as follows:

D R Taylor

D Grimason (resigned 19 June 2009)

C J Mottram (appointed 15 June 2009)

Independent auditors and statement of provision of information to the independent auditors

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

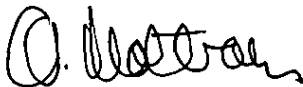
(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(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 dispensing with the requirement to appoint auditors annually. Therefore, Deloitte LLP are deemed to continue as auditors.

By order of the board



C J Mottram
Secretary

28th October 2009

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 of the 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.

Blue Circle Overseas Finance Limited

Independent auditors' report to the members of Blue Circle Overseas Finance Limited

We have audited the financial statements of Blue Circle Overseas Finance Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 2008 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.

Blue Circle Overseas Finance Limited

Independent auditors' report to the members of Blue Circle Overseas Finance Limited (continued)

Emphasis of matter - financial statements prepared on a basis other than a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom

29 October 2009

Blue Circle Overseas Finance Limited

Profit and loss account Year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Administrative expenses		-	-
Operating result	2	-	-
Interest receivable and similar income	3	35,317	55,420
Exchange gains/ (losses)		7,345	(157)
Income from shares in related companies		241,130	-
Profit on ordinary activities before taxation		283,792	55,263
Tax on profit on ordinary activities	4	-	-
Profit for the financial year	10	283,792	55,263

All transactions derive from continuing activities.

There are no recognised gains or losses other than the profit for the year and previous year as shown above. Accordingly, no statement of total recognised gains and losses is presented.

Blue Circle Overseas Finance Limited

Balance sheet

As at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Investments	6	-	1,199,086
Current assets			
Debtors	7	885,179	-
Current liabilities: amounts falling due within one year	8	-	(297,699)
Net current (liabilities)/assets		885,179	(297,699)
Net assets		885,179	901,387
Capital and reserves			
Called up share capital	9,10	26	26
Share premium account	10	848,643	848,643
Profit and loss account	10	36,510	52,718
Total shareholders' funds	10	885,179	901,387

The financial statements of Blue Circle Overseas Finance Limited, registered number 2454133, were approved by the Board of Directors on 28 October 2009 and signed on its behalf by:

D R Taylor

D R Taylor
Director

Blue Circle Overseas Finance Limited

Notes to the accounts

For the year ended 31 December 2008

1. Accounting policies

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

Accounting convention

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

Going concern basis

The directors intend to dissolve the company in the foreseeable future. The directors have therefore prepared the accounts on a basis other than going concern, which included, where appropriate, writing down the Company's assets to net realisable value and providing for any further liabilities that may arise.

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.

Investments

Investments in group companies are stated at cost, less amounts provided in respect of any impairment in value.

The directors are of the opinion that the market value of the fixed asset investments is not less than the book value shown in the balance sheet.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, where appropriate, at contracted forward rates.

All differences are taken to the profit and loss account.

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.

Related party transactions

The Company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings.

Blue Circle Overseas Finance Limited

Notes to the accounts (continued) For the year ended 31 December 2008

2. Operating result

Other than the directors, the Company had no employees during the year (2007 - nil).

None of the directors received any remuneration from the Company (2007 - £nil). They are regarded as group employees and paid by a fellow group undertaking in both financial years.

The Company's audit fees of £4,100 (2007 - £4,000) are paid by a fellow group undertaking for both financial years.

3. Interest receivable and similar income

	2008 £'000	2007 £'000
Interest receivable and similar income - on loans to fellow group undertakings	35,317	55,420
	<u>35,317</u>	<u>55,420</u>

4. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

	2008 £'000	2007 £'000
Current tax		
United Kingdom corporation tax at 28.5% (2007 - 30%) based on the profit for the year	12,159	16,579
Group relief not paid for	(12,159)	(16,579)
Total current tax charge	<u>-</u>	<u>-</u>

The rate of UK corporation tax was reduced from 30% to 28% with effect from 1 April 2008, thus giving a blended rate of 28.5% for the year as a whole.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 28.5% (2007 - 30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	<u>283,792</u>	<u>55,263</u>
Tax on profit on ordinary activities at standard rate	80,881	16,579
Effects of:		
Non taxable income	(68,722)	-
Group relief not paid for	(12,159)	(16,579)
Total actual amount of current tax	<u>-</u>	<u>-</u>

Blue Circle Overseas Finance Limited

Notes to the accounts (continued) For the year ended 31 December 2008

5. Dividends Paid

	2008 £'000	2007 £'000
Interim dividend paid (note 10)	<u>300,000</u>	<u>120,000</u>

The directors do not propose a final dividend for the year ended 31 December 2008 (2007: £nil).

6. Investments held as fixed assets

	£'000
Cost	
At 1 January 2008	1,199,086
Disposal in year	<u>(1,199,086)</u>
At 31 December 2008	<u>-</u>
Net book value	
At 31 December 2008	<u>-</u>
At 31 December 2007	<u>1,199,086</u>

During the year, the Company transferred its holding in Lafarge UK Holdings Limited (formerly Blue Circle American Investments Limited), a holding company registered in England, to a fellow subsidiary company, for cash.

7. Debtors

	2008 £'000	2007 £'000
Amounts owed by fellow group undertakings	<u>885,179</u>	<u>-</u>

8. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to fellow group undertakings	<u>-</u>	<u>297,699</u>

Blue Circle Overseas Finance Limited

Notes to the accounts (continued) For the year ended 31 December 2008

9. Called up share capital

	2008	2007
Authorised		
100,000 (2007 – 100,000) ordinary 'A' shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
3,500 (2007 – 3,500) ordinary 'B' shares of £2 each	<u>£7,000</u>	<u>£7,000</u>
Issued and fully paid		
21,565 (2006 – 21,565) ordinary 'A' shares of £1 each	<u>£21,565</u>	<u>£21,565</u>
3,346 (2006 – 3,346) ordinary 'B' shares of £2 each	<u>£4,156</u>	<u>£4,156</u>
	<u>£25,721</u>	<u>£25,721</u>

On a dividend or other distribution of profits of the Company, the holders of the ordinary 'B' shares will be entitled to receive an amount equal to the proportion of the nominal amount of the ordinary 'B' shares held by them and any premium paid or credited as paid on allotment compared with the total capital (including share premium) invested by all the shareholders in the Company.

In all other respects, the holders of the ordinary 'B' shares rank pari passu with the holders of the Ordinary 'A' shares.

10. Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Called up share capital 2008 £'000	Share premium account 2008 £'000	Profit and loss account 2008 £'000	Total 2008 £'000	Total 2007 £'000
At 1 January	26	848,643	52,718	901,387	966,124
Profit for the financial year	-	-	283,792	283,792	55,263
Dividends paid (see note 5)	-	-	(300,000)	(300,000)	(120,000)
At 31 December	<u>26</u>	<u>848,643</u>	<u>36,510</u>	<u>885,179</u>	<u>901,387</u>

11. Ultimate parent undertaking and controlling entity

Lafarge S.A., a company registered in France, is the largest 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 accounts of Lafarge S.A. may be obtained from the Stockholder Relations Department, 61, rue des Belles Feuilles, 75116 Paris, France.

Lafarge Cement UK 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 Lafarge Cement UK Plc may be obtained from the Company Secretary, Granite House, Granite Way, Syston, Leicester, Leicestershire LE7 1PL.