



FOSTER YEOMAN CONTRACTING LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 26 MAY 2006

REGISTERED NUMBER: 03329981



FOSTER YEOMAN CONTRACTING LIMITED

ANNUAL REPORT 2006

CONTENTS	PAGE
1. Directors and Advisors	2
2. Directors' Report	3
3. Statement of Directors' Responsibilities	4
4. Report of the independent auditors to the members of Foster Yeoman Contracting Limited	5
5. Profit and Loss Account	6
6. Balance Sheet	7
7. Principal Accounting Policies	8
8. Notes to the Financial Statements	9 to 14

FOSTER YEOMAN CONTRACTING LIMITED

DIRECTORS AND ADVISORS

Executive Directors

J F Yeoman
D P Smith – Resigned 30 June 2005
B T Beddow
R E Hall
R W Snape – Appointed 12 September 2005

Secretary

B T Beddow

Registered Office

Marston House
Marston Bigot
Frome
Somerset
England
BA11 5DU

Registered Number

03329981
ENGLAND

Auditors

KPMG LLP
100 Temple Street
Bristol
BS1 6AG

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 26 May 2006.

Principal Activities, Business Review and Developments

The principle activities of the company still remain in the construction and repair of roads, airfields, highway related civil engineering projects & Term Maintenance contracts for Local Authorities & Main Contractor Partners.

Turnover was down by 8% but profit before tax increased by 21% on the previous years' trading. Surfacing material taken from Foster Yeoman Ltd was 215,000 tonnes and from other suppliers 104,000 tonnes.

Approximately one third of the company's turnover related to civil engineering work and the other two thirds to surfacing contracts.

The company benefits from a number of long term maintenance contracts, both as a main contractor and as a supply chain partner. These contracts give us continuity for the workforce and a long term future workload.

Key clients throughout the year were 'Transport for London,' Port of Tilbury, numerous Local Authorities & Boroughs as well as large main contractors.

Our order book for the future remains healthy, with opportunities to carry out further ECIs (Early Contractor Involvement Contracts), to seek work on the large M25 DBFO (Design, Build, Finance & Operate) contract, work related around the Olympic Games sites and the London Borough Areas.

Results and Dividends

The directors do not propose a dividend for the year and the retained profit for the year was £761,000 (2005: £524,000).

Donations to UK charities amounted to £1,800 (2005: £550)

Directors

The following directors have held office for the year:

R E Hall

B T Beddow

D P Smith – Resigned 30 June 2005

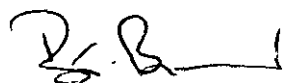
J F Yeoman

R W Snape – Appointed 12 September 2005

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD.



B T Beddow

Secretary

29 November 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOSTER YEOMAN CONTRACTING LIMITED

We have audited the financial statements of Foster Yeoman Contracting Limited for the year ended 26 May 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOSTER YEOMAN
CONTRACTING LIMITED** *continued*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 26 May 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.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
29 November 2006

FOSTER YEOMAN CONTRACTING LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 26 MAY 2006**

Continuing Operations	Notes	2006 £'000	2005 £'000
Turnover		29,140	31,605
Trading Expenditure			
Operating Charges	2	(24,723)	(27,346)
Staff Costs		(2,454)	(2,546)
Depreciation		(203)	(211)
Administration Costs		(748)	(640)
		(28,128)	(30,743)
Profit on Disposal of Fixed Assets		27	4
Operating Profit		1,039	866
Other interest receivable and similar income	3	3	-
Interest payable and similar charges	4	(14)	(15)
Profit on Ordinary Activities before Tax	5	1,028	851
Tax on profit on ordinary activities	6	(267)	(327)
Profit on Ordinary Activities after Tax		761	524
Retained Profit for the financial year	15	761	524

The company had no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

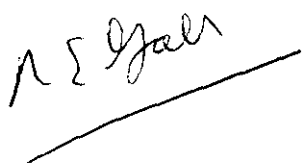
Notes to these accounts are shown on pages 9 to 14.

FOSTER YEOMAN CONTRACTING LIMITED**BALANCE SHEET
FOR THE YEAR ENDED 26 MAY 2006**

	Notes	2006 £'000	2005 £'000
Fixed assets			
Intangible Assets	7	3	33
Tangible Assets	8	793	761
		796	794
Current assets			
Stocks	9	33	34
Debtors	10	8,457	7,286
Cash at bank and in hand		691	270
		9,181	7,590
Creditors: amounts falling due within one year	11	(7,410)	(6,509)
Net current assets/liabilities		1,771	1,081
Total assets less current liabilities		2,567	1,875
Creditors: amounts falling due after more than one year	12	(128)	(153)
Provisions for liabilities and charges	13	(69)	(113)
Net assets		2,370	1,609
Capital and reserves			
Called-up share capital	14	-	-
Profit and loss account	15	2,370	1,609
Shareholders Funds	16	2,370	1,609

The financial statements were approved by the Board on 29 November 2006 and are signed on its behalf by:

R E Hall



B T Beddow



Notes to these accounts are shown on pages 9 to 14.

FOSTER YEOMAN CONTRACTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 26 MAY 2006

1. Principal Accounting Policies

(1) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

(2) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting.

(3) Turnover

Turnover represents the amounts' (excluding Value Added Tax) derived from construction contracts for 3rd party customers during the year, and is recognized on measured works.

(4) Stocks

Stocks are valued at the lower of cost and net realisable value. Contract work in progress is stated at costs incurred less those transferred to the profit and loss account after deducting foreseeable losses and payments on account not included with turnover.

(5) Depreciation

Depreciation is calculated to write off the cost of fixed assets over the estimated term of their useful lives as follows:

Vehicles	3 years
Plant & Equipment	3 to 5 years

(6) Cash Flow Statement

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that is a wholly owned subsidiary.

(7) Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) arising on acquisitions is capitalized. Positive goodwill is amortised to nil by equal annual instalments over 6 years.

(8) Taxation

The charge for taxation is based on profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognized, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Advance corporation tax recoverable by deduction from future corporation tax is carried forward within deferred tax or as ACT recoverable within debtors as appropriate.

FOSTER YEOMAN CONTRACTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 MAY 2006 continued ...**

2. Directors and Employees	2006 number	2005 number
The average number of persons (including Directors) employed during the year was:	61	70
Employee costs (for the above persons):	2006 £'000	2005 £'000
Wages and salaries	2,139	2,228
Social security costs	239	247
Other pension costs	76	71
Total Employee Costs	2,454	2,546

32 members of staff are on secondment from Foster Yeoman Limited. The pension arrangements of these employees are through their contracts of employment with Foster Yeoman Limited and details of these arrangements are disclosed in the accounts of Foster Yeoman Limited. 29 members are paid directly by Foster Yeoman Contracting Limited.

Directors Remuneration	2006 £'000	2005 £'000
Emoluments (including benefits in kind)	112	103
Pension Contributions	19	18

Retirement benefits are accruing to 1 director under a defined benefit scheme (2005: 1). The directors of the company are employed and remunerated directly by Foster Yeoman Limited

3. Other Interest Received and Similar Income	2006 £'000	2005 £'000
Receivable from Group undertakings	3	-

4. Interest Payable and Similar Charges	2006 £'000	2005 £'000
Finance charges payable in respect of finance leases and hire purchase contracts	(14)	(15)

FOSTER YEOMAN CONTRACTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 MAY 2006 continued ...**

5. Profit on Ordinary Activities before Taxation	2006 £'000	2005 £'000
Profit on Ordinary Activities before taxation is stated		
<i>after charging</i>		
Depreciation and other amounts written off tangible and intangible fixed assets	203	211
Auditors remuneration	13	8
Hire of plant and machinery	1,209	1,381
<i>after crediting</i>		
Profit on disposal of fixed assets	27	4
6. Taxation	2006 £'000	2005 £'000
Analysis of charge in the year		
<i>Current Tax</i>		
Current Tax on income for the year	311	263
	<u>311</u>	<u>263</u>
Total Current Tax		
<i>Deferred Tax</i>		
Originating/reversal of timing differences	(44)	64
	<u>267</u>	<u>64</u>
Total deferred tax		
Tax on profit on ordinary activities	381	327
<i>Factors affecting the tax charge in the year</i>		
Profit on ordinary activities before tax	<u>1,028</u>	<u>851</u>
Current tax at 30% (2005:30%)	307	255
<i>Effects of:</i>		
Expenses not deductible for tax purposes	15	17
Capital allowances for period in excess of depreciation	(11)	(9)
Total Current Tax Charge	311	263

FOSTER YEOMAN CONTRACTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 MAY 2006 continued ...**

7. Intangible Fixed Assets	Goodwill £'000
Cost	
At beginning and end of year	180
Amortisation	
At beginning of year	147
Charged in year	30
At end of year	177
Net book value at 26 May 2006	3
Net book value at 27 May 2005	33

8. Tangible Fixed Assets	Plant and Equipment £'000	Vehicles £'000	Total £'000
COST			
At 27 May 2005	1,193	384	1,577
Additions	136	74	210
Disposals	(31)	(86)	(117)
At 26 May 2006	1,298	372	1,670
DEPRECIATION			
At 27 May 2005	(502)	(314)	(816)
Charge in year	(108)	(65)	(173)
Disposals	28	84	112
At 26 May 2006	(582)	(295)	(877)
NET BOOK VALUE			
At 26 May 2006	716	77	793
At 27 May 2005	691	70	761

9. Stocks	2006 £'000	2005 £'000
Workshop Spares	33	34
Total Stocks	33	34

10. Debtors	2006 £'000	2005 £'000
Amounts recoverable on contracts	6,658	6,918
Trade debtors	13	110
Other debtors	-	49
Prepayments	187	133
Amounts owed by group undertakings	1,599	76
Total Debtors	8,457	7,286

FOSTER YEOMAN CONTRACTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 MAY 2006 continued ...**

11. Creditors – Amounts falling due within 1 year	2006 £'000	2005 £'000
Trade creditors	2,876	2,163
Accruals and deferred revenue	1,805	1,190
Obligations under finance leases and hire purchase contracts	100	115
Taxation and social security	426	229
Amounts owed to group undertakings	2,203	2,812
Total Creditors falling due within one year	7,410	6,509

12. Creditors – Amounts falling due after one year	2006 £'000	2005 £'000
Obligations under finance leases and hire purchase contracts	228	268
Less due within one year	(100)	(115)
Total Creditors falling due after one year	128	153

The maturity of obligations under finance leases and hire purchase contracts is as follows:	2006 £'000	2005 £'000
Within one year	100	115
In the second to fifth years	128	153
Obligations under finance leases and hire purchase contracts	228	268

13. Provisions for liabilities and charges	Deferred Tax £'000
At beginning of year	113
Origination & reversal of timing differences	(44)
At end of year	69

Deferred Tax Provided and Unprovided	Amount Provided		Amount Unprovided	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Tax effect of timing differences because of:				
Accelerated capital allowances	69	113	-	-
Deferred Tax	69	113	-	-

FOSTER YEOMAN CONTRACTING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 MAY 2006 continued ...**

14. Share Capital	2006 £	2005 £
Authorised Ordinary Shares of £1 each	100	100
Issued and fully paid Ordinary Shares of £1 each	1	1

15. Profit and Loss Account	2006 £'000	2005 £'000
At beginning of year	1,609	1,085
Retained profit for the year	761	524
At end of the year	2,370	1,609

16. Reconciliation of Movement on Shareholders Funds	2006 £'000	2005 £'000
Opening Shareholders funds	1,609	1,085
Retained profit for the year	761	524
Closing Shareholders funds	2,370	1,609

17. Ultimate Parent Company

The ultimate parent company is Foster Yeoman Limited, which is registered in England and which owns 100% of the share capital of Foster Yeoman Contracting Limited. The consolidated financial statements of the group are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

18. Post Balance Sheet Events

On 7 September 2006, following a change in ownership of Foster Yeoman Limited the current parent company, Foster Yeoman Contracting Limited became a subsidiary of Aggregate Industries Limited and Holcim a company incorporated in Switzerland.

19. Related Parties Transactions

As described in note 17 the company is a wholly owned subsidiary of Foster Yeoman Limited. FRS 8 gives exemption from the disclosure of related parties for transactions between group entities. The directors have taken advantage of this exemption.