Company Registration No. 1081949

BLUE CIRCLE DEVELOPMENTS LIMITED

Report and Financial Statements

31 December 2010

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BLUE CIRCLE DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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BLUE CIRCLE DEVELOPMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Simms
P T E Lanyon
R Powell
Lafarge Directors (UK) Limited

SECRETARY

Lafarge Secretaries (UK) Limited

REGISTERED OFFICE

Granite House
Granite Way
Syston
Leicester
LE7 1PL

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006

Principal activity

The principal activity of the Company continues to be that of an estate developer

The directors do not anticipate a change in this activity for the foreseeable future

Going concern

The directors have considered going concern in preparing these financial statements The Company operates as part of the Lafarge SA Group cash pooling arrangement Each company participating in the cash pooling arrangement has a memorandum balance, with the true balance at bank being the sum of all of the memorandum balances While the overall balance at bank in the cash pool is usually maintained as a positive cash balance, there are points in time during which the overall balance may temporarily fall into an overdraft position The nature of the cash pooling arrangement increases the risk to the Company of withdrawing cash balances in full on demand, in the event of other Lafarge SA Group companies having overdraft positions The directors do not consider that this presents a material risk to the Company regarding the availability of cash balances to continue operations under the normal course of business

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future For this reason, they continue to adopt the going concern basis in preparing the financial statements

Directors

The directors who held office throughout the year and up to the date of this report, except where otherwise stated, were as follows

P W J Mills	(resigned 30 June 2010)
D J Simms	
C J Mottram	(resigned 02 June 2010)
P T E Lanyon	(appointed 16 August 2010)
S Fennell	(appointed 07 June 2010, resigned 05 January 2011)
R Powell	(appointed 05 January 2011)
Lafarge Directors (UK) Limited	(appointed 01 February 2010)

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 1st November 2005 dispensing with the requirement to appoint auditor annually This election was in force immediately before 1 October 2007 Therefore Deloitte LLP are deemed to continue as auditor

By order of the Board

for and on behalf of
Lafarge Secretaries (UK) Limited
Secretary
29 July 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006 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 AUDITOR'S REPORT TO THE MEMBERS OF BLUE CIRCLE DEVELOPMENTS LIMITED

We have audited the financial statements of Blue Circle Developments Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Peter Gallimore FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom
10 August 2011

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2010

	Note	2010 £000	2009 £000
Administration expenses		(1)	(84)
Operating loss	2	(1)	(84)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1)	(84)
Tax on loss on ordinary activities	3	-	-
LOSS FOR THE FINANCIAL YEAR	9	(1)	(84)

All transactions are derived from continuing operations

There are no recognised gains and losses in the current or preceding financial year other than those shown in the profit and loss account Accordingly, no statement of total recognised gains and losses is required

BLUE CIRCLE DEVELOPMENTS LIMITED

BALANCE SHEET
As at 31 December 2010

	Note	2010 £000	2009 £000
Current assets			
Stocks	4	**4,808**	4,765
Other Debtors	5	**7**	-
Cash at bank	6	**1,189**	1,259
		6,004	6,024
Creditors amounts falling due within one year	7	**(25)**	(44)
Net current assets		**5,979**	5,980
Net assets being total assets less current liabilities		**5,979**	5,980
Capital and reserves			
Called up share capital	8,9	**1,000**	1,000
Profit and loss account	9	**4,979**	4,980
Total shareholders' funds	9	**5,979**	5,980

The financial statements of Blue Circle Developments Limited, registered number 1081949, were approved by the Board of Directors and authorised for issue on 29 July 2011

R Powell
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2010

1. ACCOUNTING POLICIES

The particular 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 and have been prepared on a going concern basis which is discussed in the Directors' Report on page 2

Cash flow statement

The Company is a wholly owned subsidiary of the Lafarge S A published financial statements and the cash flows of the Company are included in the consolidated cash flow statement of Lafarge SA Consequently, the Company has taken advantage of the exemption under Financial Reporting Standard No 1 (Revised) from preparing a cash flow statement

Stocks

Stocks are valued at the lower of cost and net realisable value

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 Deferred tax assets and liabilities are not discounted

Related party transactions

The Company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures of transactions with entities that are part of the same group, where 90% or more of the voting rights of these entities are controlled within the group

2. OPERATING LOSS

Auditor's remuneration of £3,000 (2009 £3,000) is borne by a fellow group company

Employees and directors

There were no employees during the current or preceding year None of the directors received any remuneration from the Company (2009 £nil) They are regarded as group employees and paid by a fellow group undertaking

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

3. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Tax on profit on ordinary activities

	2010 £000	2009 £000
Current tax		
United Kingdom Corporation tax at 28 % (2009 28%) based on the loss for the year	-	(24)
Group relief surrendered for nil payment	-	24
Total current tax	-	-

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% (2009 28%) The differences are explained below

	2010 £000	2009 £000
Loss on ordinary activities before taxation	(1)	(84)
Tax on loss on ordinary activities at standard rate	-	(24)
Effects of		
Group relief surrendered for nil payment	-	24
Total actual amount of current tax	-	-

The Emergency Budget for 2010 introduced a reduction in the rate of corporation tax from 28% to 27% from 1 April 2011 This legislation was substantively enacted on 21 July 2010 and was expected to impact the company's current tax charge from 1 April 2011

Subsequently, the Budget for 2011 has introduced further reductions in the rate of corporation tax from 27% to 26% from 1 April 2011 and from 26% to 25% from 1 April 2012 This legislation was substantively enacted on 29 March 2011 and 05 July 2011 respectively, and will impact the company's current tax charge from 1 April 2011 and 1 April 2012

4 STOCKS

	2010 £000	2009 £000
Land and developments held as trading stock	4,808	4,765

5. DEBTORS

	2010 £000	2009 £000
Other debtors	7	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2010

6 CASH AT BANK

The cash at bank relates to a memorandum account being the Company's portion of a group bank account in the name of Lafarge Minerals Ltd, a related group company

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £000	2009 £000
Accruals and deferred income	**25**	44

8. CALLED UP SHARE CAPITAL

	2010 £000	2009 £000
Called up, allotted and fully paid		
1,000,000 (2009 1,000,000) Ordinary shares of £1 each	**1,000**	1,000

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up share capital £000	Profit and loss account £000	Total 2010 £000	Total 2009 £000
Balance at 1 January	1,000	4,980	5,980	6,064
Loss for the financial year	-	(1)	(1)	(84)
Balance at 31 December	**1,000**	**4,979**	**5,979**	**5,980**

10. POST BALANCE SHEET EVENT

Lafarge S A signed a binding agreement on 18 February 2011 (subject to regulatory approval) with Anglo-American plc, who owns Tarmac, to combine the UK operations in cement, aggregates, ready-mixed concrete and asphalt & contracting by forming a 50/50 joint venture company Lafarge Plasterboard UK and Tarmac Building Products are not involved in this agreement Pending regulatory approval, the two companies continue to operate independently

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

The Company's immediate parent company is Blue Circle Properties Limited, a company registered in England and Wales and incorporated in Great Britain

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, Lafarge Cement UK Plc, Granite House, Granite Way, Syston Leicester, Leicestershire LE7 1PL