

Blue Circle (HW) Limited

Directors Report and Accounts

For the Year Ended 31 December 2003

Company Number: 166344



Blue Circle (HW) Limited

Company number: 166344

REPORT AND ACCOUNTS 2003

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

R A Elliott
Blue Circle Home Products Limited

SECRETARY

Lafarge Secretaries (UK) Limited

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Crawley

REGISTERED OFFICE

The Old Rectory
Misterton
Lutterworth
Leicestershire LE17 4JP

Blue Circle (HW) Limited

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The company is a non-trading company and will continue to be so for the foreseeable future.

RESULTS AND DIVIDENDS

The result for the year amounted to £nil (2002 : £nil). No interim dividend was paid (2002 : £nil), and the directors do not recommend the payment of a final dividend (2002 : £nil).

DIRECTORS AND THEIR INTERESTS

The directors who held office throughout the year (except as otherwise stated) were as follows:

R A Elliott
Blue Circle Home Products Limited

No director at the year end had any interest in the shares of the company or any other United Kingdom group company.

AUDITORS

A resolution regarding the reappointment of Deloitte & Touche LLP as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board
For Lafarge Secretaries (UK) Limited



R A Elliott
Secretary

25 June 2004

Blue Circle (HW) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 accounts, 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; and,
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Blue Circle (HW) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE CIRCLE (HW) LIMITED

We have audited the financial statements of Blue Circle (HW) Limited for the year ended 31 December 2003 which comprise the balance sheet, the reconciliation of movement in shareholders' deficit and the related notes 1 to 7. 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

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

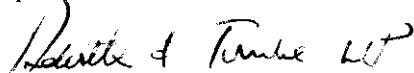
Basis of audit opinion

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.

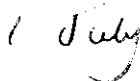
Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Crawley



2004

Blue Circle (HW) Limited

BALANCE SHEET

As at 31 December 2003

	Notes	2003 £	2002 £
Current Liabilities			
Creditors (amounts falling due within one year)	4	-	(5,880,083)
Total assets less current liabilities		<u>-</u>	<u>(5,880,083)</u>
Capital And Reserves			
Called up share capital	5,6	6,364,083	484,000
Revaluation Reserve	6	-	50,717
Profit and Loss Account deficit	6	<u>(6,364,083)</u>	<u>(6,414,800)</u>
Total Equity Shareholders' Deficit		<u>-</u>	<u>(5,880,083)</u>

Approved by the board of directors
on 25 June 2004 and
signed on behalf of the board by:

R. A. Elliott

R A Elliott
Director

Blue Circle (HW) Limited

RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' DEFICIT Year Ended 31 December 2003

	Notes	2003 £	2002 £
Profit for the financial year		-	-
Issue of shares	5	<u>5,880,083</u>	<u>-</u>
Net reduction to equity shareholders' deficit		5,880,083	-
Opening equity shareholders' deficit		(5,880,083)	(5,880,083)
Closing equity shareholders' deficit		<u>-</u>	<u>(5,880,083)</u>

Blue Circle (HW) Limited

Notes To The Accounts for the year ended 31 December 2003

1. Accounting Policies

Accounting convention

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

Cash flow

The company is a subsidiary of Blue Circle Industries PLC 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.

Related party transactions

The company has taken advantage of the exemption granted in paragraph 3(c) of FRS 8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings.

2. Profit And Loss Account

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor loss. Accordingly no profit and loss amount nor statement of total recognised gains and losses is presented as part of these financial statements.

3. Administrative Expenses

Apart from the directors, the company had no employees during the year (2002 – Nil).

None of the directors received any remuneration from the company for either financial year. They are regarded as group employees and paid by a fellow group undertaking in both years.

Auditors' remuneration has been borne by a fellow group undertaking in both years.

4. Creditors (amounts falling due within one year)

	2003 £	2002 £
Amounts owed to parent undertaking	-	(5,880,083)

5. Called Up Share Capital

	2003 £	2002 £
Authorised:		
6,365,000 Ordinary shares of £1 each	6,365,000	484,000
Issued and fully paid:		
6,364,083 (2002 – 484,000) Ordinary shares of £1 each	6,364,083	484,000

On 20 May 2003, the authorised share capital of the Company was increased by 5,881,000 Ordinary shares of £1 each to a total of 6,365,000 Ordinary shares of £1 each. On the same date, the Company issued 5,880,083 Ordinary shares at par for cash.

Blue Circle (HW) Limited

Notes To The Accounts for the year ended 31 December 2003

6. Combined Reconciliation of Movement in Equity Shareholders' Deficit and Movements in Reserves

	Share Capital	Revaluation Reserve	Profit & Loss Account	Total 2003	Total 2002
At 1 January	484,000	50,717	(6,414,800)	(5,880,083)	(5,880,083)
Issue of shares	5,880,083	-	-	5,880,083	-
Release of revaluation reserve	-	(50,717)	50,717	-	-
	<u>6,364,083</u>	<u>-</u>	<u>6,364,083</u>	<u>-</u>	<u>(5,880,083)</u>

7. Ultimate Parent Company And Controlling Entity

Lafarge SA, a company registered in France, is the largest 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 entity.

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

Blue Circle Industries 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 Blue Circle Industries PLC may be obtained from the Company Secretary, Blue Circle Industries PLC, The Old Rectory, Misterton, Lutterworth, Leicestershire LE17 4JP.