Steetley Building Products Limited
(Registered Number 177607)

Directors' Report And Accounts

For The Year Ended 31 December 1997



Steetley Building Products Limited

Directors' Report For The Year Ended 31 December 1997

The directors present their report and accounts of the Company for the year ended 31 December 1997.

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. 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;
- 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 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 of fraud and other irregularities.

Results And Dividends

The Company's profit for the year was £2 thousand (1996: loss of £8 thousand). No interim dividends have been paid (1996: £nil). The directors do not recommend the payment of a final dividend for the year ended 31 December 1997 (1996: £nil). An amount of £2 thousand has been transferred to reserves (1996: £8 thousand transferred from reserves).

Directors

The directors who held office during the year were as follows:

R D Andrews	
S R O'Brien	(resigned 31 March 1998)
Redland Directors Limited	(appointed 31 March 1998)

Steetley Building Products Limited

Directors' Report For The Year Ended 31 December 1997 (Continued)

Directors' Interests

According to the Register of Directors' Interests, none of the directors in office at the end of the period had any interest in the share capital of Lafarge SA, the Company's ultimate holding company.

Auditors

A resolution regarding the appointment of Auditors will be proposed at the next Annual General Meeting.

By Order of the Board
For Redland Secretaries Limited

R C Monro
Secretary
30 APRIL 1998

Registered Office:
Redland House
Dorking
Surrey
RH4 1TH

Southwark Towers
32 London Bridge Street
London SE1 9SY

Telephone: 0171-939 3000
Telex: 884657 PRIWAT G
Facsimile: 0171-378 0647

Price Waterhouse

Auditors' Report To The Shareholders Of Steetley Building Products Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. 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 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 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.

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Southwark Towers
32 London Bridge Street
London SE1 9SY

Chartered Accountants
and Registered Auditors

30 April 1998

Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, London, Manchester, Middlesbrough, Newcastle, Nottingham, St. Albans, Southampton and Windsor.

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London SE1 9SY where a list of the partners' names is available for inspection.

The firm is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Steetley Building Products Limited

Profit And Loss Account For The Year Ended 31 December 1997

	Note	1997 £'000	1996 £'000
Administration expenses		(2)	(8)
Other operating income		4	-
Profit/(Loss) On Ordinary Activities Before Taxation	2	2	(8)
Taxation on profit/(loss) on ordinary activities	3	-	-
Retained Profit/(loss) For The Financial Year	9	2	(8)

There are no recognised gains or losses other than the profit for the year shown above. The movement on shareholders' funds is as follows:

	£'000	£'000
At 1 January	20,790	20,798
Profit/(loss) for the year	2	(8)
At 31 December	20,792	20,790

The notes on pages 6 to 8 form part of these accounts

Steetley Building Products Limited

Balance Sheet As At 31 December 1997

	Note	1997 £'000	1996 £'000
Fixed Assets			
Investments	4	**207**	207
Current Assets			
Debtors	5	**17,648**	17,645
Cash at bank	6	**3,221**	3,222
		20,869	20,867
Creditors: Amounts Falling Due Within One Year	7	**(284)**	(284)
Net Current Assets		**20,585**	20,583
Net Assets		**20,792**	20,790
Capital And Reserves			
Called up share capital	8	**26,089**	26,089
Profit and loss account	9	**(5,297)**	(5,299)
Total Shareholders' Funds		**20,792**	20,790

Approved By The Board On
30 APRIL 1998

Director

The notes on pages 6 to 8 form part of these accounts

Steetley Building Products Limited

Notes To The Accounts For The Year Ended 31 December 1997

1 Accounting Policies

(1) Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(2) Group accounts

The Company is included in the consolidated accounts of Lafarge SA, a company registered in France. Accordingly the Company has taken advantage of the exemption given in S228 of the Companies Act 1985 from preparing and delivering group accounts.

(3) Cash flow statement

The Company is a subsidiary undertaking of Lafarge SA 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.

(4) Related party transactions

The Company has taken advantage of the exemption granted in paragraph 3(c) of FRS8 'Related Party Disclosures' not to disclose transactions with fellow group undertakings.

(5) Deferred taxation

Provision for deferred taxation is made only where there is a reasonable probability that a liability will crystallise within the foreseeable future. Any provision required will be dealt with in the accounts of Redland Finance PLC.

2 Profit/(Loss) On Ordinary Activities Before Taxation

	1997 £'000	1996 £'000
This is stated after charging:		
Directors' emoluments	Nil	Nil

The auditors' remuneration is borne by Redland PLC.

Steetley Building Products Limited

Notes To The Accounts For The Year Ended 31 December 1997

3 Taxation On Profit On Ordinary Activities

No taxation charge is borne by the Company as any liability will be settled by Redland Finance PLC, a fellow group undertaking.

4 Fixed Asset Investments

	1997 £'000	1996 £'000
Shares in group undertaking	207	207

Details of the subsidiary undertaking are shown in note 10.

5 Debtors

	1997 £'000	1996 £'000
Amounts owed by parent company	17,648	17,645

6 Cash At Bank

The balance shown in the financial statements relates to a memorandum account being the Company's portion of a group bank account in the name of Redland PLC.

7 Creditors: Amounts Falling Due Within One Year

	1997 £'000	1996 £'000
Amounts owed to group undertakings	207	207
Accruals and deferred income	77	77
	284	284

Steetley Building Products Limited

Notes To The Accounts For The Year Ended 31 December 1997

8 Called Up Share Capital

	1997 £'000	1996 £'000
Authorised, issued and fully paid:		
104,356,324 ordinary shares of 25p each:	**26,089**	26,089

9 Profit And Loss Account

	£'000
At 1 January 1997	(5,299)
Profit for the year	2
At 31 December 1997	(5,297)

10 Subsidiary Undertaking

	Nature of business	Country of incorporation	Share of equity held beneficially by the Company
Lumley Brickworks Limited	Dormant	England	100%

11 Ultimate Parent Company

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 holding company.

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