

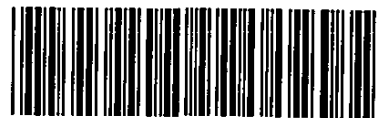
**Company Registration Number 2163844**

**LAFARGE PLASTERBOARD LIMITED**

**Report and Financial Statements**

**31 December 2011**

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# **LAFARGE PLASTERBOARD LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

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## **LAFARGE PLASTERBOARD LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the manufacture and supply of plasterboard and accessories

As shown in the company's profit and loss account on page 5, the company's sales have increased by £9,219,000 in comparison to the prior year, with a profit for the financial year of £3,914,000 (2010 £16,045,000). The gross profit ratio has fallen from 33.3% to 32.1%, mainly due to a significant increase in the cost of gas.

On 9 September 2011 the company purchased the shares of Lafarge Plasterboard Ireland Limited

On 4 November 2011 the ultimate controlling party changed to Etex Group SA from Lafarge SA due to a divestment of the Gypsum division by Lafarge SA.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year-end has reduced in terms of net assets, which is attributable to a dividend payment of £40,000,000 in the year offset in part by the profit for the year.

The directors expect the business to be profitable in the next financial year.

### **DIVIDENDS**

A dividend of £40,000,000 (£0.67 per ordinary share) proposed in the prior year was paid in October 2011. Directors do not recommend the payment of a final dividend for 2011.

### **DIRECTORS**

The directors of the company who served during the year and subsequently are as follows:

C G Ellwood (Director and Secretary)  
J M Desmoutier  
J E Maycock  
R G Buxton  
B Lekien (appointed 4 November 2011)

### **SHARE CAPITAL REDUCTION**

The issued share capital of the company was reduced to £60,000,000 by way of the new solvency statement procedure and the sums thereby created were applied to the company's profit and loss account reserves.

### **EMPLOYMENT OF DISABLED PERSONS**

The company's policy is to give disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and any employee who develops a disability during employment with the company is given the chance of retraining where practicable.

### **HEALTH AND SAFETY**

The company has a strong commitment to safety in its operations. Courses are also provided in safety training. Special-purpose training is also provided to other employees according to the needs of their work.

## **LAFARGE PLASTERBOARD LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **EMPLOYEE INVOLVEMENT AND COMMUNICATIONS**

Matters affecting employees' interests are discussed through consultative committees and with trade unions where they represent employees

An internal communications manager was appointed in 2012 to facilitate employee involvement and communication

#### **PAYMENT POLICY**

The company's policy is to comply with the terms of payment agreed with a supplier. Where terms are not negotiated, the company endeavours to adhere with the supplier's standard terms. As at 31 December 2011, trade creditors as a proportion of amounts invoiced from suppliers for the year, represented 69 days (2010: 68 days)

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

Due to the current economic conditions there are inherent and future uncertainties that may impact the business. As explained in note 1, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future, and for this reason continue to adopt the going concern basis in preparing the financial statements

The company's activities expose it to financial risks including foreign exchange risk and energy price and supply risk. To reduce these risks the company enters into forward foreign currency contracts, via a group undertaking, and enters into forward purchase supply contracts for gas.

Loss of key customers is also a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers. The retention of customers is a non-financial key performance indicator which the company continuously monitors.

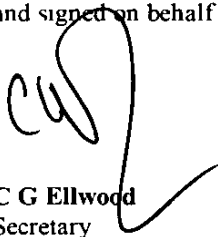
#### **AUDITOR**

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 auditor is 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 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.

Approved by the Board of Directors  
and signed on behalf of the Board

  
C G Ellwood  
Secretary

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## **LAFARGE PLASTERBOARD LIMITED**

### **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 judgements and accounting 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 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 LAFARGE PLASTERBOARD LIMITED**

We have audited the financial statements of Lafarge Plasterboard Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2011 and of its profit 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.



David Hedditch (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cardiff, United Kingdom

26 September 2012

## **LAFARGE PLASTERBOARD LIMITED**

### **PROFIT AND LOSS ACCOUNT** **Year ended 31 December 2011**

	<b>Note</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>TURNOVER</b>	<b>2</b>	<b>118,983</b>	<b>109,764</b>
Cost of sales		(80,682)	(73,246)
<b>GROSS PROFIT</b>		<b>38,301</b>	<b>36,518</b>
Distribution costs		(18,672)	(18,886)
Administrative expenses		(13,782)	(9,729)
<b>OPERATING PROFIT</b>	<b>4</b>	<b>5,847</b>	<b>7,903</b>
Bank interest receivable		123	106
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>5,970</b>	<b>8,009</b>
Tax charge on profit on ordinary activities	<b>5</b>	(2,056)	8,036
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>15</b>	<b>3,914</b>	<b>16,045</b>

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

# LAFARGE PLASTERBOARD LIMITED

## BALANCE SHEET At 31 December 2011

	Note	2011 £'000	2010 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	62,018	67,952
Investments	8	3,698	312
		<u>65,716</u>	<u>68,264</u>
<b>CURRENT ASSETS</b>			
Stocks	9	8,872	7,147
Debtors	10	45,454	25,847
Cash at bank and in hand		8,234	59,282
		<u>62,560</u>	<u>92,276</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	<u>(45,028)</u>	<u>(41,828)</u>
<b>NET CURRENT ASSETS</b>		<u>17,532</u>	<u>50,448</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>83,248</u>	<u>118,712</u>
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(2,933)</u>	<u>(2,311)</u>
<b>NET ASSETS</b>		<u>80,315</u>	<u>116,401</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	60,000	149,700
Profit and loss account	15	20,315	(33,299)
<b>SHAREHOLDERS' FUNDS</b>	15	<u>80,315</u>	<u>116,401</u>

The financial statements of Lafarge Plasterboard Limited, registered number 2163844, were approved by the Board of Directors and authorised for issue on 26 September 2012

Signed on behalf of the board of directors

  
C G Ellwood  
Director



**LAFARGE PLASTERBOARD LIMITED**

**CASH FLOW STATEMENT**  
**Year ended 31 December 2011**

	Note	2011 £'000	2010 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	16	(6,368)	16,204
<b>Returns on investments and servicing of finance</b>			
Interest received		123	106
Dividends paid		(40,000)	-
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>		(39,877)	106
<b>Taxation</b>		(5)	8
<b>Capital expenditure</b>			
Payments to acquire tangible assets		(1,412)	(3,920)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertaking		(3,386)	-
<b>Net cash outflow from capital expenditure</b>		(3,386)	-
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(51,048)	12,398
<b>(Decrease)/increase in cash in the period</b>		(51,048)	12,398

## **LAFARGE PLASTERBOARD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

#### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

The financial statements for the year ended 31 December 2011 have been drawn up using consistent accounting policies as for the year ended 31 December 2010.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Going concern**

Due to the current economic conditions there are inherent future uncertainties that may impact the business. As a result of this the directors have considered forecasts for the foreseeable future and have a reasonable expectation that the company has adequate resources, including a £8.2m cash balance and a lack of reliance on external borrowing, to continue in existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets under the course of construction until they are brought into use, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short leasehold buildings	term of lease
Plant and equipment	20 years
Motor vehicles	4 years

##### **Investments held as fixed assets**

Shares in other companies are stated at cost less any provision for impairment in value.

##### **Taxation**

Current UK corporation 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 company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment 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 is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

## **LAFARGE PLASTERBOARD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

#### **1 ACCOUNTING POLICIES (continued)**

##### **Turnover**

Turnover consists of the invoiced value of plasterboard related goods sold and services provided to customers net of all sales discounts and value added tax. Revenue is recognised on delivery of goods to the customer.

##### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

##### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Differences arising on the translation of foreign currencies are included in the profit and loss account.

##### **Pensions**

During the year the company participated in the Lafarge UK Pension Plan (LUPP). On 31 October 2011 LUPP closed the defined benefit section of the plan and all employees transferred to the defined contribution section. LUPP is a multi-employer scheme, the assets and liabilities of which are held independently of the Lafarge Group. The company has previously been unable to identify its share of the underlying assets and liabilities of the scheme and, accordingly, accounted for the scheme as if it were a defined contribution scheme.

On 4 November 2011 the ultimate controlling party changed from Lafarge SA to Etex Group SA and as part of the sale agreement between the two parties any liability for the deficit in LUPP remained with Lafarge SA. On 31 March 2012 employees ceased to be eligible to contribute to the LUPP and were offered membership of the Etex UK pension scheme (The em Pension Scheme) which is a defined contribution scheme.

##### **Provisions**

In accordance with Financial Reporting Standard 12 'Provisions, Contingent Liabilities and Contingent Assets', provision is made for expected dilapidation costs on properties and expected restructuring costs.

##### **Operating leases**

Rentals are charged to profit and loss in equal annual amounts over the lease term.

##### **Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

## LAFARGE PLASTERBOARD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

#### 2. TURNOVER

The turnover is wholly attributable to the principal activity of the company and arises predominantly in the United Kingdom. The analysis of turnover by geographical destination is as follows:

	2011 £'000	2010 £'000
United Kingdom	111,640	98,853
Other European countries	6,708	10,911
South Africa	635	-
	<u>118,983</u>	<u>109,764</u>

#### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2011 £'000	2010 £'000
<b>Directors' remuneration:</b>		
Emoluments	890	795
Company contributions to pension schemes	71	47
	<u>961</u>	<u>842</u>

	No	No
Number of directors with pension benefits accruing under defined benefit scheme	<u>3</u>	<u>3</u>

No directors have exercised options in the shares of the ultimate holding company, Lafarge SA, during the period (2010: four directors).

No further disclosure is made in relation to FRS 20 on the grounds of immateriality.

	£'000	£'000
<b>Remuneration of highest paid director:</b>		
Emoluments	<u>509</u>	<u>413</u>

There is no accrued pension benefit of the highest paid director (2010: £nil).

The highest paid director is not a member of the defined benefit pension scheme.

	£'000	£'000
<b>Employee costs during the year (including directors)</b>		
Wages and salaries	13,725	12,520
Social security costs	1,327	1,088
Other pension costs	1,317	1,161
	<u>16,369</u>	<u>14,769</u>

# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2011 No.	2010 No
<b>Average number of persons employed:</b>		
Administration	30	30
Manufacturing and distribution	349	345
	<u>379</u>	<u>375</u>

### 4 OPERATING PROFIT

	2011 £'000	2010 £'000
Operating profit is after charging		
Depreciation - tangible assets	4,150	4,438
Exchange losses	54	522
Fixed asset impairment	3,196	-
Operating lease rentals		
- contract hire vehicles	388	773
- land and buildings	1,959	2,284
- computer equipment	52	129
Auditor's remuneration		
- fees payable to the company's auditor for non-statutory services	38	-
- for the audit of the company's annual accounts	94	94
	<u></u>	<u></u>

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
<b>(a) Tax charge comprises</b>		
<b>United Kingdom corporation tax</b>		
Current tax credit for the year	(192)	-
Adjustments in respect of prior years	(335)	-
	<u>(527)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination of timing differences	2,073	-
Impact of change in rate	476	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	34	8,036
	<u>2,583</u>	<u>8,036</u>
	<u>(2,056)</u>	<u>8,036</u>

# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

#### (b) Factors affecting current tax for the year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	5,970	8,009
	<u>£'000</u>	<u>£'000</u>
Tax on profit on ordinary activities at standard rate of 26.5% (2010: 28%)	1,582	2,243
Factors affecting the charge		
Depreciation in excess/less than capital allowances	(2,195)	984
Disallowed expenses and non-taxable income	299	173
Utilisation of tax losses	-	(3,077)
Group relief claimed for nil payment	-	(164)
Other short-term timing differences	122	(159)
Adjustment to tax credit in respect of prior years	(335)	-
<b>Current tax credit for the year</b>	<u>(527)</u>	<u>-</u>

#### (c) Factors that may affect future tax charge

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. These were subsequently amended by the March 2011 Budget Statement and the 21 March 2012 Budget Statement. The Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 28% to 22%, falling by 2% in 2011, 2% in 2012 with a further 1% reduction per year for the periods 2013 and 2014. On 5 July 2011 the reduction of corporation tax to 25%, effective 1 April 2012, was substantively enacted.

In accordance with accounting standards this has been reflected in the company's financial statements. The further 1% reduction in rate effective from 1 April 2012 was substantively enacted after the balance sheet date. This reduction and the further reductions in the UK corporate tax rate will be reflected in the financial statements of the company once substantively enacted. The estimated effect of the proposed reductions in the rate by 2014 would be to decrease the deferred tax asset by £654,000.

# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 6 DIVIDENDS ON EQUITY SHARES

Amounts recognised as distributions to equity holders in the period	2011 £'000	2010 £'000
Interim dividend of 67p (2010 nil) per ordinary share	40,000	-

### 7. TANGIBLE FIXED ASSETS

	Short leasehold buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January 2011	42,833	83,894	90	126,817
Additions	-	1,412	-	1,412
At 31 December 2011	42,833	85,306	90	128,229
<b>Accumulated depreciation</b>				
At 1 January 2011	11,549	47,226	90	58,865
Charge for the year	881	3,269	-	4,150
Impairment	-	3,196	-	3,196
At 31 December 2011	12,430	53,691	90	66,211
<b>Net book value</b>				
At 31 December 2011	30,403	31,615	-	62,018
At 31 December 2010	31,284	36,668	-	67,952

An impairment loss has been recognised in the year (2010 £nil) in relation to an ERP system that is no longer required after the change in ownership

### 8 INVESTMENTS HELD AS FIXED ASSETS

	£'000
<b>Cost and net book value</b>	
At 1 January 2011	312
Additions	3,386
At 31 December 2011	3,698

The brought forward investment relates to a 20% investment in CEP Ceilings Limited. The company does not participate in the management of CEP Ceilings Limited, neither does it exercise significant influence over its operating and financial policies. CEP Ceilings Limited engages in the manufacture of ceiling tiles and is incorporated in England. The net assets of CEP Ceilings Limited amounted to £1,301,000 (2010 £1,248,000) as at 31 December 2011 and its profit for the financial year ended 31 December 2011 was £52,500 (2010 £135,000).

# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 8 INVESTMENTS HELD AS FIXED ASSETS (continued)

Management tests investments for impairments if there are indicators that investments may be impaired. The recoverable amounts are determined based on expected performance of the business in future years, taking into account historical profits.

There was no impairment indicators noted in the current year (2010: £nil).

The addition of £3,386,000 in the year relates to the investment in Lafarge Plasterboard Ireland Limited. Lafarge Plasterboard Limited owns 100% of Lafarge Plasterboard Ireland Limited, which is a dormant company.

9. STOCKS	2011 £'000	2010 £'000
Raw materials	3,180	2,105
Engineering stores	983	1,697
Finished goods and goods for resale	4,709	3,345
	<u>8,872</u>	<u>7,147</u>
10. DEBTORS	2011 £'000	2010 £'000
Amounts due within one year		
Trade debtors	15,089	16,146
Amounts owed by group undertakings	24,070	499
Other debtors	89	389
Amounts due to group relief	192	-
Prepayments and accrued income	561	777
Deferred tax (see note 11)	5,453	8,036
	<u>45,454</u>	<u>25,847</u>



# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

### 11. DEFERRED TAX

	2011 £'000	2010 £'000
<b>Analysis of deferred tax balance</b>		
At 1 January	8,036	-
Adjustment to prior year	(34)	10,585
Rate change adjustment	(476)	(378)
Charged to profit and loss account	(2,073)	(2,171)
<b>At 31 December</b>	<b>5,453</b>	<b>8,036</b>
<b>Deferred tax asset</b>	<b>£000</b>	<b>£'000</b>
Decelerated capital allowances	4,545	7,219
Timing differences	908	817
	<b>5,453</b>	<b>8,036</b>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Trade creditors	12,757	10,389
Amounts owed to group undertakings	5,333	5,043
Other creditors including taxation and social security	17,764	16,521
Accruals and deferred income	9,174	9,875
	<b>45,028</b>	<b>41,828</b>

### 13. PROVISIONS FOR LIABILITIES

	Onerous lease provision £'000	Restructuring provision £'000	Total £'000
At 1 January 2011	2,133	178	2,311
Charged to profit and loss account	1,673	112	1,785
Utilisation of provision	(985)	(178)	(1,163)
<b>At 31 December 2011</b>	<b>2,821</b>	<b>112</b>	<b>2,933</b>

Onerous lease provision relates to vacant properties and dilapidation claims and will be utilised over the remaining period of the leases to which they relate. The restructuring cost relates to redundancies made and finalised during the year.

# LAFARGE PLASTERBOARD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

<b>14</b>	<b>CALLED UP SHARE CAPITAL</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Called up, allotted and fully paid</b>		
	60,000,000 Ordinary shares of £1 each (2010 149,700,000)	60,000	149,700

The issued share capital of the company was reduced to £60,000,000 by way of the new solvency statement procedure and the sums thereby created were applied to the company's profit and loss account in reserves

## 15 COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	<b>Issued share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>2011 Total £'000</b>	<b>2010 Total £'000</b>
Balance at beginning of year	149,700	(33,299)	116,401	100,356
Profit for the financial year	-	3,914	3,914	16,045
Share capital reduction	(89,700)	89,700	-	-
Dividend payment	-	(40,000)	(40,000)	-
<b>Balance at end of year</b>	<b>60,000</b>	<b>20,315</b>	<b>80,315</b>	<b>116,401</b>

<b>16.</b>	<b>RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH</b>	<b>2011</b>	<b>2010</b>
		<b>£'000</b>	<b>£'000</b>
	Operating profit	5,847	7,903
	Depreciation and amortisation	7,346	4,438
	Profit on sale of tangible fixed assets	-	-
	(Increase)/decrease in stocks	(1,725)	171
	Increase in debtors	(21,885)	(4,116)
	Decrease in creditors	3,427	7,205
	Decrease in provisions	622	603
	<b>Net cash inflow from operating activities</b>	<b>(6,368)</b>	<b>8,168</b>

## LAFARGE PLASTERBOARD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

#### 17 FINANCIAL COMMITMENTS

At 31 December 2011 and 2010 the company had annual commitments in respect of non-cancellable operating leases as follows

	2011		2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
- within one year	-	196	145	487
- within two to five years	984	159	996	220
- after five years	1,272	-	1,009	-
	<u>2,256</u>	<u>355</u>	<u>2,150</u>	<u>707</u>

Through energy supply contracts the company is able to hedge its exposure to changes in energy prices. At 31 December 2011 the fair value of the derivative is a liability of £174,086 (2010 asset of £125,043)

#### 18. PENSIONS

Until 4 November 2011, when the ultimate controlling party changed to Etex Group SA from Lafarge SA, the company participated in the Lafarge UK Pension Plan (LUPP). LUPP is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group. The company has previously been unable to identify its share of the underlying assets and liabilities of the scheme and, accordingly, accounted for the scheme as if it were a defined contribution scheme.

On 4 November 2011 the ultimate controlling party changed from Lafarge SA to Etex Group SA and as part of the sale agreement between the two parties any liability for the deficit in LUPP remained with Lafarge SA. On 31 March 2012 employees ceased to be eligible to contribute to the LUPP and were offered membership of the Etex UK pension scheme (The em Pension Scheme) which is a defined contribution scheme.

The total cost charged to income of £1,338,998 (2010 £2,011,000) represents contributions payable to these schemes by the company at rates specified in the rules of the plans.

## **LAFARGE PLASTERBOARD LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2011**

#### **19 RELATED PARTY TRANSACTIONS**

During the year the company purchased goods and services in the ordinary course of business from the following related parties

	<b>£</b>
Lafarge Gips GMBH	1,132,461
Almeria Gypsum	4,511,332
Lafarge Platres	1,360,199
Papeteries de Begles	4,318,706
Lafarge Prestia	279,063
Lafarge Gips BV	77,437
Lafarge Gips Zoo	3,485,390
Lafarge Gypsum International	3,354,239

Amounts owed by and to group entities are disclosed in notes 2 and 4. These amounts all relate to trading balances

#### **20 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

Between 1 January 2011 and 3 November 2011, Lafarge SA incorporated in France, was regarded by the directors as being the company's ultimate parent company and controlling party

From 4 November 2011, Etex Group SA, incorporated in Belgium, is regarded by the directors as being the company's ultimate parent company and controlling party

The largest and smallest groups of undertakings for which group financial statements are drawn up and of which this company is a member are

	<b>Address</b>
Etex Group SA Incorporated in Belgium	Avenue de Tervueren 361 1150 Brussels Belgium

Copies of the group financial statements may be obtained from the address shown above