

Registered number
05655952

Aggregate Industries Limited

**Annual Report and Financial Statements
for the year ended 31 December 2018**



Aggregate Industries Limited
Annual Report and Financial Statements
for the year ended 31 December 2018

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Aggregate Industries Limited
Directors and advisors

Directors

Guy Edwards
John Bowater

Independent Auditor

Deloitte LLP
Statutory Auditor
1 Woodborough Road
Nottingham
NG1 3FG
United Kingdom

Registered office

Bardon Hall
Copt Oak Road
Markfield
Leicestershire
LE67 9PJ
United Kingdom

Registered number

05655952

Aggregate Industries Limited
Strategic report
for the year ended 31 December 2018

The directors present their Strategic report for the year ended 31 December 2018.

Principal activity and business review

The principal activity of the company is as a holding company. The directors do not expect that to change in the foreseeable future.

The company's Statement of Comprehensive Income and Balance Sheet appear on pages 7 and 8 respectively.

Key financial and other performance indicators

Given the nature of the Company's activities, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The profit for the year, after taxation, amounted to £46,335k (2017: £41,122k). The directors paid a final dividend of £46,335k (2017: £85,800k).

Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as economic risks, competitive risks, legislative risks, weather risks and energy costs.

Economic risks

Demand for products of subsidiary companies is closely linked to general economic conditions in the regions in which they operate. Depressed economic conditions due to Brexit uncertainty could have a detrimental impact on demand for, and pricing of, products which could result in reduced sales and profits. This could result in an impairment of investments held by the company.

Competitive risks

In the regions where the group operates there exists a risk of our competitors expanding their market share through the opening of new plants; however this is limited by the availability of potentially suitable sites as well as difficulties in securing planning permission.

Legislative risks

In the UK, construction products and materials are sold to locally and nationally imposed standards. Failure to comply with these standards could materially affect the group's ability to operate. There is no indication that in the short term the legislative environment is posing a risk in this area.

Weather Risks

Periods of inclement weather can reduce the demand for aggregates or added-value products, and the need for transportation of aggregate, which thereby could potentially reduce sales and profits.

Energy Costs

Fuel is a significant element of the group's costs. Increases in fuel prices can have a large impact on profitability, however the Company has the ability to negotiate price increases with its customers at any time.

Financial risk management

The Company's activities expose it to a variety of financial risks, including the effect of changes in debt structure and interest rates.

Treasury policy is managed in co-operation with LafargeHolcim Group Treasury, with regard to the exposures of the wider LafargeHolcim Group. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The result of the referendum for the UK to leave the European Union presents a potential risk to the Company due to the unpredictable impact on the market place, and therefore the future cash flows of the investments held. This risk is being monitored by the Directors.

This report was approved by order of the board and signed on its behalf by.



John Bowater

On behalf of Aggregate Industries Limited
Director

19 JULY 2019

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2018

The directors present their report together with the audited financial statements, for the year ended 31 December 2018.

Business review

The principal activity of the company is to act as, and carry on the business, of a holding company. The directors do not anticipate any changes in the company's activity over the coming year.

Directors

The following directors held office during the year and subsequently:

Guy Edwards (Appointed 1 January 2019)
Francois Petry (Resigned 31 December 2018)
Roland Kohler (Resigned 12 February 2018)
John Bowater

Information on the directors' remuneration is shown in note 4.

Dividends

Dividends of £46,335k, 64.8 pence per share were paid in 2018 (2017: £85,800k, 120 pence per share).

Financial instruments and financial risk management

Details of financial risk management are provided in the Strategic Report on page 2.

Going concern

The directors have considered the maturity date of its liabilities and the ability of the company to cover short term repayments. Further, the Company has a letter of support from other group company to assist in meeting its liabilities as they fall due. As a result the directors have a reasonable expectation that the company can continue to adopt the going concern basis in preparing the financial statements.

Future developments

The company intends to continue to operate as a holding company.

Events since the balance sheet date

On the 1st January 2019 and 25th March 2019, Aggregate Industries Limited declared dividends to Aggregate Industries Holdings Limited amounting to £181,000 and £5,900,000 respectively. The dividends are in accordance with the company's dividend policy. The dividends were settled via intercompany account on the same days.

Directors' qualifying third party indemnity provisions

The company has indemnified the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

Disclosure of information to the auditor

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

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the 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.

Auditor appointment

Deloitte LLP has been reappointed as a statutory auditor of the Company during the year.

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2018 (continued)

Directors' Responsibilities Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

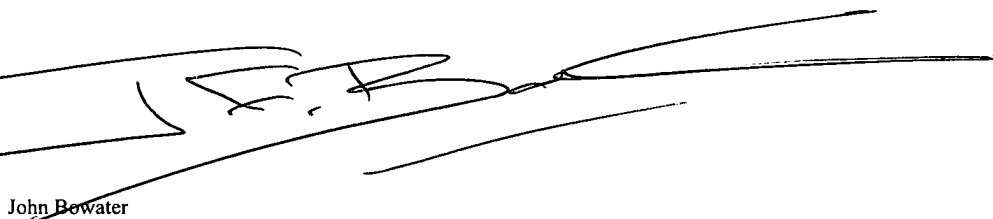
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year.

In preparing these 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; and
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.
- 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.

This report was approved by order of the board and signed on its behalf by:



John Bowater

On behalf of Aggregate Industries Limited
Director

19 JULY

2019

Aggregate Industries Limited
Independent auditor's report
to the members of Aggregate Industries Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Aggregate Industries Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Aggregate Industries Limited
Independent auditor's report
to the members of Aggregate Industries Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report and Strategic Report.

Matters on which we are required to report by exception

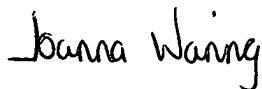
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.
- the financial statements are not in agreement with the accounting records and returns.
- certain disclosures of directors' remuneration specified by law are not made.
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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.



Joanna Waring FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Nottingham, UK

19 July 2019

Aggregate Industries Limited
Statement of Comprehensive Income
for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Continuing operations			
Dividend income		<u>46,335</u>	<u>41,122</u>
Profit before taxation		<u>46,335</u>	<u>41,122</u>
Tax charge on profit	5	<u>-</u>	<u>-</u>
Profit after taxation		<u>46,335</u>	<u>41,122</u>
Total comprehensive income for the year attributable to the owners of the Company		<u>46,335</u>	<u>41,122</u>

The notes on pages 10 to 16 form part of these financial statements.

Aggregate Industries Limited
Company Registration No. 05655952
Balance Sheet
as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed Assets			
Investments	6	344,344	344,344
Current assets			
Amounts owed by group undertakings	7	31,792	31,792
		<u>31,792</u>	<u>31,792</u>
Creditors: amounts falling due within one year			
Amounts owed to group undertakings	8	(69,678)	(69,678)
Net current liabilities		<u>(37,886)</u>	<u>(37,886)</u>
Total assets less current liabilities		<u>306,458</u>	<u>306,458</u>
Net assets		<u>306,458</u>	<u>306,458</u>
Capital and reserves			
Called up share capital	10	71,497	71,497
Share premium	10	171,497	171,497
Retained earnings	10	63,464	63,464
Shareholders' funds		<u>306,458</u>	<u>306,458</u>

The notes on pages 10 to 16 form part of these financial statements.

The financial statements of Aggregate Industries Limited (registration number 05655952) were approved by the board of directors and authorised for issue on **19 JULY** 2019, they were signed on its behalf by:


John Bowater
Director

19 JULY

2019

Aggregate Industries Limited
Statement of Changes in Equity
for the year ended 31 December 2018

	Note	Attributable to the equity shareholders			
		Called up share capital	Share premium	Retained earnings	Total
		£'000	£'000	£'000	£'000
As at 1 January 2017		171,497	171,497	8,142	351,136
Profit for the year		-	-	41,122	41,122
Other comprehensive result		-	-	-	-
Total comprehensive income		-	-	41,122	41,122
Dividends paid	11	-	-	(85,800)	(85,800)
Capital Reduction		(100,000)	-	100,000	-
As at 31 December 2017		71,497	171,497	63,464	306,458
Profit for the year		-	-	46,335	46,335
Other comprehensive result		-	-	-	-
Total comprehensive income		-	-	46,335	46,335
Dividends paid	11	-	-	(46,335)	(46,335)
As at 31 December 2018		71,497	171,497	63,464	306,458

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2018

1 Corporate information

The financial statements of the Company for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 19 JULY 2019. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England & Wales. The principal activity of the Company is set out in Directors Report on page 2 and its registered address is shown on page 1.

2 Accounting policies

2.1 Basis of preparation

In accordance with section 401 of the Companies Act 2006 consolidated accounts have not been prepared as the company is itself included in the consolidated accounts of LafargeHolcim Limited incorporated in Switzerland. Accordingly, these accounts present information about the company as an individual undertaking and not about its group. The group accounts of LafargeHolcim Limited are available to the public and can be obtained as set out in note 13.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'

The Company's Financial Statements are presented in Pound Sterling and because that is the currency of the principle economic environment in which the Company operates. The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

New standards effective for the current year

The Company has adopted all mandatory standards, interpretations and amendments that have become effective with effect from 1 January 2018, as below. None of the standards, interpretations and amendments that are effective for the first time have had a material effect on the financial statements.

1) Amendments to IAS 7 Statement of Cash Flows - Disclosure Initiative

2) Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference. The application of these amendments has had no impact on the Company's financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

3) IFRS 9 - Financial Instruments

4) IFRS 15 - Revenue from Contracts with Customers

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2018. The Company's ultimate parent undertaking, LafargeHolcim Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;

(b) the requirements of IAS 7 Statement of Cash Flows;

(c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of property, plant and equipment, intangible assets and investment properties;

(d) the requirements of IAS 24 Related Party Disclosure to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member and exemption from disclosure of compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity;

(e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors; and

(f) the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements to present capital disclosures in respect of its objectives, policies and processes for managing capital.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Going Concern

The directors have considered the maturity date of its liabilities and the ability of the company to cover short term repayments. Further, the Company has a letter of support from another group company to assist in meeting its liabilities as they fall due. As a result the directors have a reasonable expectation that the company can continue to adopt the going concern basis in preparing the financial statements.

2.2 Summary of significant accounting policies

a Interest receivable

Interest receivable is recognised as the interest accrues (using the effective interest rate method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

b Dividends

Dividends are recognised when the company's right to receive the payment is established.

c Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

d Financial instruments - initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

i) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in profit or loss.

Short-term financial receivables are recognised and carried at original invoice amount less allowance for uncollectible amounts.

Long-term financial assets consist of (a) long-term receivables - related companies and (b) long-term receivables - third parties. Long-term receivables are measured at amortized cost using the effective interest method.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2018

2 Accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

d Financial instruments - initial recognition and subsequent measurement (continued)

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal repayments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

ii) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

iii) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

e Investments

Investments are stated at cost less provision for impairment which is assessed annually.

f Cash at bank and in hand

Cash and short-term deposits in the Balance Sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

The directors have considered the financial statements and do not consider there to be any critical accounting judgements.

Key sources of estimation uncertainty

Impairment of assets

The key significant estimates relate to the review of the carrying value of the investment balance; an impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The note above details the accounting policy applied in the financial statements, the key assumptions in the review are shown in note 6.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2018

4 Profit before taxation

The directors' services to the Company do not occupy a significant amount of their time. As such the directors have not received any remuneration for their incidental services to the Company for the years ended 31 December 2018 and 31 December 2017. No staff were employed by the Company during the year and in the previous year.

Certain directors of the Company are remunerated by Aggregate Industries UK Limited. The directors consider that the amount of time spent on the entity is inconsequential, and therefore no remuneration is disclosed. No recharge of directors remuneration has been made by Aggregate Industries UK Limited. Certain directors are also officers of the ultimate parent company and a number of its subsidiaries. Their remuneration for the year was paid by the LafargeHolcim Group.

The audit fee of £5,250 for current year and £5,000 for prior year has been borne by a fellow group company.

5 Taxation

	2018 £'000	2017 £'000
UK corporation tax		
Current tax	-	-
Total current tax charge on profit	-	-
Tax on profit	-	-

The rate of UK corporation tax for the year is 19% (2017: 19.25%). The actual tax charge calculated for the current year is lower (2017: lower) than the standard rate for the reasons set out below:

	2018 £'000	2017 £'000
Profit before taxation	46,335	41,122
Tax on profit at UK standard rate	8,804	7,916
Income not taxable	(8,804)	(8,027)
Expenses not deductible	-	-
Group relief not paid for	-	111
	-	-

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 19%. The standard rate will fall further to 17% with effect from 1 April 2020.

6 Investments

	Unlisted subsidiaries £'000
Cost	
At 1 January 2018	344,344
At 31 December 2018	344,344
Provision for impairment	
At 1 January 2018	-
At 31 December 2018	-
Net book value	
At 31 December 2018	344,344
At 31 December 2017	344,344

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2018

6 Investments (continued)

The recoverable amount has been determined based on a value in use calculation using cashflow projections from financial budgets approved by senior management covering a three year period. The discount rate applied to the pre-tax cash flow projections is the company's pre-tax cost of capital of 6.77% (2017: 6.65%) and cash flows beyond the five year period are extrapolated using a 1.95% (2017: 2%) growth rate which approximates to long term UK economic growth. Other key assumptions in the forecasts are internal pricing decisions and market volume projections sourced from published data from the Mineral Products Association. In the opinion of the directors the carrying value of the remaining investments has been impaired to the deemed recoverable amount.

The direct subsidiaries are Aggregate Industries UK Limited, Aggregate Industries Management Limited, Camas Limited, Aggregate Industries Quest Trustee Limited, Evered Limited and London and Northern Group Limited. The principal indirect subsidiary undertakings are shown in note 9 to the financial statements.

7 Amounts owed by group undertakings

	Effective interest rate %	Maturity	2018 £'000	2017 £'000
Current:				
Loans due from group companies - unsecured	N/A	on demand	31,792	31,792
			<u>31,792</u>	<u>31,792</u>

8 Amounts owed to group undertakings

	Effective interest rate %	Maturity	2018 £'000	2017 £'000
Current:				
Loan due to group company - unsecured	N/A	on demand	69,678	69,678
			<u>69,678</u>	<u>69,678</u>

9 Subsidiaries and associated undertakings

The direct and indirect subsidiaries and joint ventures of Aggregate Industries Limited at the year end and their activities are set out below. The shares in all companies are fully paid.

Name of company	Ordinary Share Holding	Nature of business	Principal place of business	Registered office
Ab Shipping Holding B.V.*	50%	Trading	Netherlands	Amerikahavenweg 21045AC Amsterdam, The Netherlands
Accumix Concrete Limited**	20%	Trading	Great Britain	The Yard, Oakdale Trading Estate, Ham Lane, Kingswinford, DY6 7JH
Accumix Holdings Limited*	20%	Holding	Great Britain	The Yard, Oakdale Trading Estate, Ham Lane, Kingswinford, DY6 7JH
Aggregate Industries (England) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries Management Limited	100%	Non-trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries Quest Trustee Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries South West Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries UK Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Supplies Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
AI Overseas Investments Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
AI Properties Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Alan C Bennett & Sons Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Alfred Robinson (Builders & Contractors) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Caird Evered Holdings Limited*	50%	Holding	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Caird Evered Limited**	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Callow Readymix Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Camas Building Materials Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Camas Holdings Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Camas Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Camas UK Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Cambridgeshire Aggregates Limited*	50%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Castleton Sand & Gravel Quarries Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ

Aggregate Industries Limited
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9 Subsidiaries and associated undertakings (continued)

Name of company	Share Holding	Nature of business	Principal place of business	Registered office
Charcon Holdings Limited	100%	Holding	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Charcon Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
CNL Minerals Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Concrete Developments Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Construction System Solutions Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Cotswold Aggregates Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Cruden Bay Brick & Tile company Limited	100%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
Douglas Concrete Holdings Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Douglas Concrete Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
E. Fletcher (Builders) Cannock Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
E. Fletcher (Stoke) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
EJS Concrete Products Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
EJS Landscape Supplies Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Evered Bardon Quarry Products Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Evered Concrete Products Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Evered Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman (Dulcote) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman Jetties Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman Limited	100%	Holding	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Fyfe Contractors Limited	100%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
Hartigan Trading Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Ivonbrook Quarries Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
John Fyfe Limited	100%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
K.R.M. Concrete Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Kendall Bros. (Portsmouth) Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Kendall Marine Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lafarge Caudon Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lafarge Ireland Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
London & Northern Group Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
London Concrete Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lytag Holdings Limited	100%	Holding	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lytag Limited	100%	Non-trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Melton Concrete Products Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Mendip Rail Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Mid Essex (Asphalt) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Morvern Shipping Agency Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
North Kent Roadstone Limited*	50%	Trading	Great Britain	Albion House, Springfield Rd, RH12 2RV
Northumbria Investments Limited	84%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Ogden Roadstone Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Paragon Materials Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Rail Freight Services (RFS) Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Redditch Concrete Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Restored Properties Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Searock Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Simply Paving Limited	100%	Non-trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
St. Machar Development Company Limited	100%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
Stoneflair Northern Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
T. M. Simpson (Holdings) Limited	90%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
Tendley Quarries Limited*	50%	Trading	Great Britain	Brigham, Cockermouth, CA13 0SE
The Mendip Basalt Co. Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
The Thomas Langley Group Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
W.H. Rankin Limited	98%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
W J Ladd (Concrete Products) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Western Bridge (Shipping) Limited**	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Wight Building Materials Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Witherley Services Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Woodhall Spa Sand & Gravel Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
World Self Unloaders Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Yeoman (Morvern) Limited	100%	Dormant	Great Britain	Glensanda Quarry, Morvern, By Oban, Argyll, Scotland

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9 Subsidiaries and associated undertakings (continued)

Name of company	Share Holding	Nature of business	Principal place of business	Registered office
Yeoman Benk Limited**	50%	Trading	Great Britain	55 Baker Street, London, W1U 7EU
Yeoman Bridge Limited**	50%	Trading	Great Britain	55 Baker Street, London, W1U 7EU
Yeoman France S.A.R.L.	100%	Trading	France	23, rue du Clos d'Orleans, 94120 Fontenay Sous Bois, France

**Joint Venture Company*

*** Wholly owned subsidiary of Joint Venture Company*

The companies struckoff in 2019 includes Aggregate Industries Quest Trustee Limited, Camas Building Materials Limited, Concrete Developments Limited, Construction System Solutions Limited, Melton Concrete Products Limited, Yeoman France S.A.R.L.

10 Called up share capital

	2018 million	2017 million
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	71.5	71.5
	2018 £'000	2017 £'000
Share Capital	71,497	71,497
Share Premium	171,497	171,497
	242,994	242,994

Equity share capital comprises the net proceeds up to par value on issue of the company's equity share capital, of 71.5m ordinary shares of £1 each. The excess proceeds above the par value are recognised within the share premium account.

Retained earning represents distributable reserve generated from capital reduction in 2017.

11 Dividends paid and proposed

	2018 £'000	2017 £'000
Declared and paid during the year		
Final dividend for 2018: 64.8 pence per share (2017: 120 pence per share)	46,335	85,800

On the 26th March 2018, 25th June 2018, 25th September 2018, 28th September 2018 and 21st December 2018 Aggregate Industries Limited declared and paid dividends to Aggregate Industries Holdings Limited amounting to £4,300,000, £16,500,000, £4,455,000, £164,479.34, £20,915,520.66 respectively. The dividends are in accordance with the company's dividend policy.

12 Post balance sheet events

On the 1st January 2019 and 25th March 2019, Aggregate Industries Limited declared dividends to Aggregate Industries Holdings Limited amounting to £181,000 and £5,900,000 respectively. The dividends are in accordance with the company's dividend policy. The dividends were settled via intercompany account on the same days.

13 Parent and ultimate parent company

The immediate parent company is Aggregate Industries Holdings Limited registered at Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ Great Britain and its ultimate parent company and controlling party is LafargeHolcim Limited which is incorporated in Switzerland.

This is the smallest and largest group in which results are consolidated.

Copies of the financial statements of LafargeHolcim Limited are available on www.lafargeholcim.com or from LafargeHolcim Limited Corporate Communications, from its registered office at Zurcherstrasse 156, CH-8645 Jona, Switzerland.