

Registered number
05655952

Aggregate Industries Limited

**Annual report and financial statements
for the year ended 31 December 2017**



Aggregate Industries Limited
Report and financial statements
for the year ended 31 December 2017

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Aggregate Industries Limited
Directors and advisors

Directors

Francois Petry
John Bowater

Company secretary

James Atherton-Ham

Independent Auditor

Deloitte LLP
Statutory Auditor
4 Brindley Place
Birmingham
B1 2HZ
United Kingdom

Registered office

Bardon Hall
Copt Oak Road
Markfield
Leicestershire
LE67 9PJ

Registered number

05655952

Aggregate Industries Limited
Strategic report
for the year ended 31 December 2017

The directors present their Strategic report for the year ended 31 December 2017.

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 £41,122k (2016: £39,042k). The directors paid a final dividend of £85,800k (2016: £31,700k).

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 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.

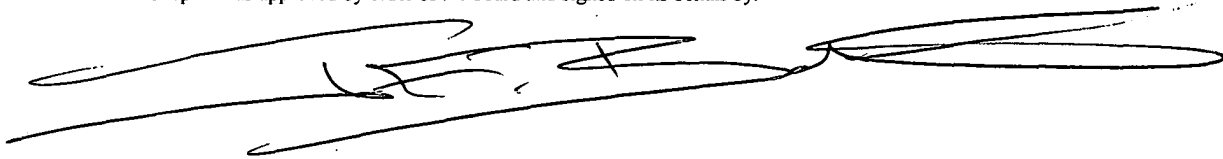
Treasury policy is managed in co-operation with LafargeHolcim Group Treasury, with regard to the exposures of the wider LafargeHolcim Group. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial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

Financial risk management within the Company is governed by policies approved by LafargeHolcim Group management. It provides principles for overall risk management, as well as policies covering specific areas such as interest rate risk.

Risks associated with interest rates and liquidity are managed at the level of the wider LafargeHolcim Group. Therefore adverse movements in interest rates would reduce profits in 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

9 August 2018

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2017

The directors present their report together with the audited financial statements, for the year ended 31 December 2017.

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:

Francois Petry

John Bowater

Roland Köhler (Resigned 12/02/2018)

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

Dividends

Dividends £85,800k, £1.2 per share were paid in 2017 (2016: £31,700k, 18.5 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 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 26th March 2018 and 25th June 2018, Aggregate Industries Limited declared dividends to Aggregate Industries Holdings Limited amounting to £4,300,000 and £16,500,000 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

Auditor appointment

Deloitte LLP has been appointed as a new statutory auditor of the Company in the Board of Directors' meeting held on 30 March 2017.

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities in relation to the financial statements

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

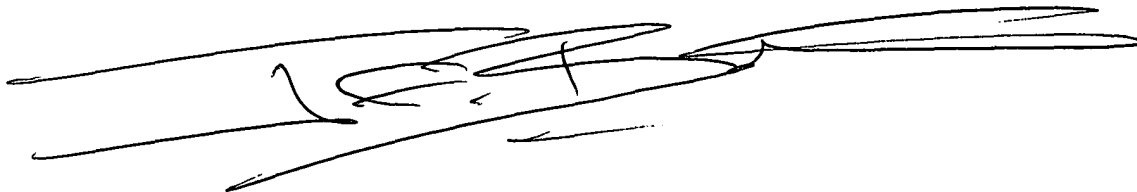
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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

9 August

2018

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:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 of Aggregate Industries Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

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 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.

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report have 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 strategic report and the directors' 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; 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.

We have nothing to report in respect of these matters

Joanna Waring

Joanna Waring FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Nottingham, United Kingdom

9 August 2018

Aggregate Industries Limited
Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Continuing operations			
Administrative expenses		-	(2,965)
Operating result / (loss)		-	(2,965)
Dividend income		41,122	42,007
Profit before taxation		41,122	39,042
Tax charge on profit	6	-	-
Profit after taxation		41,122	39,042
Total comprehensive loss for the year attributable to the			
		41,122	39,042

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 2017

	Note	2017 £'000	2016 £'000
Fixed Assets			
Investments	7	344,344	344,344
Current assets			
Amounts owed by group undertaking	8	31,792	41,307
Assets held for sale	9	-	43,936
		<u>31,792</u>	<u>85,243</u>
Creditors: amounts falling due within one year			
Amounts owed to group undertakings	9	(69,678)	-
Net current (liabilities) / assets		<u>(37,886)</u>	<u>85,243</u>
Total assets less current liabilities		<u>306,458</u>	<u>429,587</u>
Creditors: amounts falling due after more than one year			
Amounts owed to group undertakings	10	-	78,451
Net assets		<u>306,458</u>	<u>351,136</u>
Capital and reserves			
Called up share capital	12	71,497	171,497
Share premium	12	171,497	171,497
Retained earnings		63,464	8,142
Shareholders' funds		<u>306,458</u>	<u>351,136</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 **9 August** 2018, they were signed on its behalf by:

John Bowater
Director

9 August

2018

Aggregate Industries Limited
Statement of Changes in Equity
for the year ended 31 December 2017

Attributable to the equity shareholders				
	Called up share capital	Share premium	Retained earnings	Total
	£'000	£'000	£'000	£'000
As at 1 January 2016	171,497	171,497	800	343,794
Profit for the year	-	-	39,042	39,042
Other comprehensive result	-	-	-	-
Total comprehensive income	-	-	39,042	39,042
Dividends paid 12	-	-	(31,700)	(31,700)
As at 31 December 2016	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 12	-	-	(85,800)	(85,800)
Capital Reduction 11	(100,000)	-	100,000	-
As at 31 December 2017	71,497	171,497	63,464	306,458

1 Corporate information

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 9 August 2018. 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 address of the company's registered office is shown on the Corporate Information page. The nature of the company's operations and principal activities are set out in the directors report on page 3.

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 Ltd 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 Ltd are available to the public and can be accessed on the company's website. 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 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.

Adoption of new and revised Standards

The Company has adopted all mandatory standards, interpretations and amendments that have become effective with effect from 1 January 2017, 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 companies financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

3) Annual Improvements to IFRSs 2014-2016 Cycle

The Company has adopted the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Company. IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 2 (amendments)	Classification and Measurement of Share-based Payment Transactions
IAS 7 (amendments)	Disclosure Initiative
IAS 12 (amendments)	Recognition of Deferred Tax Assets for Unrealised Losses
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017. The Company's ultimate parent undertaking, LafargeHolcim Ltd, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to. 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, except for financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

2 Accounting policies (continued)

2.1 Basis of preparation (continued)

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 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.

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

i Financial assets

Initial recognition and measurement

Financial assets are recognised when the company becomes party to the contracts that give rise to them and are classified as financial assets at fair value through the Statement of profit & loss; loans and receivables; held-to-maturity investments; or as available-for-sale financial assets, as appropriate. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

When financial assets are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The company's financial assets include loans due from other group companies.

Loans and debtors

Loans and debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the statement of comprehensive income account. The losses arising from impairment are recognised in the statement of comprehensive income account.

Derecognition

A financial asset (or, where applicable a part of a financial asset) is derecognised when:

- The rights to receive cash flows from the assets have expired
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

ii 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.

2 Accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

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

iii Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through the Statement of Profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable costs.

The company's financial liabilities include loans and borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Gains and losses on liabilities held for trading are recognised in the Statement of profit & loss.

The company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income account when the liabilities are derecognised as well as through effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discounts or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest payable in the Statement of profit & loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of profit & loss.

iv Offsetting of financial instruments

enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v Fair value of financial instruments

Where financial instruments are not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

vi 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 Significant judgements, key assumptions and estimates

Judgments

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

Estimates and assumptions

The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with FRS101, requires the use of estimates, subjective judgements and assumptions that may affect the amount of assets and liabilities at the balance sheet date and reported profit and earnings for the year. The Directors base these estimates, judgements and assumptions on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstances. The key significant judgements and estimates relate to the review of the carrying value of the investment balance; the note above details the accounting policy applied in the financial statements, the key assumptions in the review are shown in note 7.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2017

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 2017 and 31 December 2016. 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.

5 Operating result / (loss)

This is stated after charging:

	2017 £'000	2016 £'000
Auditor's remuneration - audit	-	-
Other assurance services	-	-

The audit fee of £5k for current year and £1.5k for prior year has been borne by a fellow group company.

6 Taxation

	2017 £'000	2016 £'000
UK corporation tax		
Current tax	-	-
Total current tax charge on profit	-	-
Tax on profit	<u>-</u>	<u>-</u>

The small company rate of UK corporation tax for the year is 19.25% (2016: 20%). The actual tax charge calculated for the current year is lower (2016: lower) than the standard rate for the reasons set out below:

	2017 £'000	2016 £'000
Profit before taxation	41,122	39,042
Tax on profit at UK standard rate	7,916	7,808
Income not taxable	(8,027)	(8,401)
Expenses not deductible		593
Group relief not paid for	111	-
	<u>-</u>	<u>-</u>

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 19.25%. The standard rate will fall further to 17% with effect from 1 April 2020.

Aggregate Industries Limited
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7 Investments

	Unlisted subsidiaries £'000
Cost	
At 1 January 2017	368,344
Disposal of investments	(24,000)
Reclassification	-
At 31 December 2017	344,344
Provision for impairment	
At 1 January 2017	24,000
Charge for the year	-
Disposal of investments	(24,000)
Reclassification	-
At 31 December 2017	-
Net book value	
At 31 December 2017	344,344
At 31 December 2016	344,344

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 five year period. The discount rate applied to the pre-tax cash flow projections is the company's pre-tax cost of capital of 6.65% (2016: 6.65%) and cash flows beyond the five year period are extrapolated using a 2% (2016: 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 Northen Group Limited. The principal indirect subsidiary undertakings are shown in note 11 to the financial statements.

On 5 January 2017, the company disposed of its investment in Ronez Ltd for a consideration of £45.2m. Along with associated disposal costs of £1.2m, the profit on disposal in 2017 was £nil.

The net recoverable amount of the investment was reclassified from cost of the investment to assets held for sale as at 31 December 2016 instead of reclassifying £70 million from cost and £24 million from provision. The management has reclassified £24 million from cost and provision of investment in current year to correct the error. However, the net effect on statement of comprehensive income account is Nil and there is no change on the balance sheet in both the years.

8 Other financial assets

	Effective interest rate %	Maturity	2017 £'000	2016 £'000
Current:				
Loan due from group company	N/A	on demand	31,792	41,307
Total current financial liabilities			31,792	41,307

* the loan is unsecured and repayable on demand

9 Assets held for sale

	2017 £'000	2016 £'000
Assets held for sale	-	43,936

Assets held for sale in 2016 related to the recoverable amount of the investment of Ronez Limited and its associated subsidiaries. The sale of this company completed on 5th January 2017.

10 Other financial liabilities

	Effective interest rate %	Maturity	2017 £'000	2016 £'000
Current:				
Loan due to group company	N/A	December 2018	69,678	-
Amount due to group undertakings	N/A		-	-
Total current financial liabilities			69,678	-
Non-Current:				
Loan due to group company	N/A	*	-	70,000
Amount due to group undertakings	N/A	*	-	8,451
Total non-current financial liabilities			-	78,451

* the loan is unsecured and has no fixed repayment date. During the year, the management has classified this loan as current since the other party i.e. Bardon Investments Limited is in the process of liquidation, which management believe will be completed by December 2018.

Aggregate Industries Limited
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11 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 and, except where shown, wholly owned. Shares in these companies were held by subsidiaries of Aggregate Industries Limited at the year end.

Name of company	Share Holding	Nature of business	Principal place of business	Registered office
Aggregate Industries (England) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries Management Ltd	100%	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%	Dormant	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 (Southern) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Supplies Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggs UK Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
AI Mineral Products 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) Lim	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Border Stone Co. Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Brooke Concrete Products 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%	Dormant	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
Castleton Sand & Gravel Quarries Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Charcon Holdings Limited	100%	Holding	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Charcon Limited	100%	Trading	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%	Dormant	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
Granville-Steel Contracting Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
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
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%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Melton Concrete Products Ltd	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 2RW
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

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11 Subsidiaries and associated undertakings (continued)

Name of company	Share Holding	Nature of business	Principal place of business	Registered office
Rail Freight Services (RFS) Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Ranchaus No 16 Limited*	50%	Dormant	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%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Rowecast Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Simply Paving Ltd	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Spancast Concrete Floors Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
St. Machar Development company Limited	100%	Dormant	Great Britain	Duntilland Quarry, Salsburgh, ML7 4NZ
Stoneflair Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
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
Teeside Concrete Products Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Tendley Quarries Limited*	50%	Trading	Great Britain	Brigham, Cockermouth, CA13 0SE
The Mendip Basalt Co. Ltd*	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 Ltd*	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 Ltd	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
Yeoman France S.A.R.L.	100%	Trading	France	23, rue du Clos d'Orleans, 94120 Fontenay Sous Bois, France, Europe
Yeoman Netherlands B.V.	100%	Trading	Netherlands	IJsseldijk 351, 2922 BK Krimpen aan den IJssel, Netherlands

*Joint Ventures Companies

12 Called up share capital	2017 million	2016 million
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	71.5	171.5
	2017 £'000	2016 £'000
Share Capital	71,497	171,497
Share Premium	171,497	171,497
	242,994	342,994

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.

On the 19th January 2017 the directors of the company authorised a share capital reduction during the year to reduce the number of ordinary shares from 171.5m to 71.5m which was adjusted against Profit and loss reserve.

13 Dividends paid and proposed	2017 £'000	2016 £'000
Declared and paid during the year		
Final dividend for 2017: £1.2 per share (2016: 18.5 pence per share)	85,800	31,700

On the 26th March 2018 and 25th June 2018, Aggregate Industries Limited declared dividends to Aggregate Industries Holdings Limited amounting to £4,300,000 and £16,500,000 respectively. The dividends are in accordance with the company's dividend policy. The dividends were settled via intercompany account on the same days.

14 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 is LafargeHolcim Ltd which is incorporated in Switzerland.

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

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