

Registered number
05655952

Aggregate Industries Limited

Annual Report and Financial Statements
for the year ended 31 December 2020



Aggregate Industries Limited
Annual Report and Financial Statements
for the year ended 31 December 2020

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Aggregate Industries Limited
Directors and advisors

Directors

Philip Jason Norah
John Bowater

Independent Auditors

Mazars LLP
2 Chamberlain Square
Birmingham
B3 3AX
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 2020

The directors present their Strategic report for the year ended 31 December 2020.

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 8 and 9 respectively.

Investment income has fallen in 2020 as the Company's subsidiaries have reduced dividend distributions due to the Covid 19 Pandemic.

Key financial and other performance indicators

As the Company's principal activity is that of a holding company, Investment income is deemed to be the only KPI. Investment income for the year is £5,750k (2019: £47,953k).

Results and dividends

The profit for the year, after taxation, amounted to £5,750k (2019: £181,581k (loss)). The dividends of £5,750k (2019: £48,134k) were paid in the first quarter of 2020 to the immediate parent company.

Principal risks and uncertainties

The principal risks and uncertainties facing the company is the performance of the Company's trading subsidiaries, and the impact on investment values.

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 Holcim Group Treasury, with regard to the exposures of the wider Holcim 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.

Section 172(1) Statement

As a subsidiary holding company within the wider Holcim Group, the Directors consider the impact of the Company's activities on its shareholders and its subsidiaries that have an active interest in and are affected by the performance of the Company's investments and financial instruments. The Directors continuously monitor the Company's performance considering its purpose and objective and regularly report and consult with its stakeholders on a wide range of matters, both financial and non-financial, with the aim of maximising investment returns for the benefit of its shareholders. The Company is dedicated to upholding Group policies and to maintaining the highest level of business conduct and governance.

1. INVESTORS

Continued access to capital is of vital importance to the long-term success of our business. Through our engagement activities, we strive to obtain our parent company's - Holcim - buy-in into our strategic objectives and how we go about executing on them. We are seeking to maintain a transparent relationship that is based on the long term holding in the company.

2. WORKFORCE

The directors' services to the Company do not occupy a significant amount of their time and as such the directors have not received any remuneration for their incidental services for the financial year presented. The Company had no employees during the year or in the previous year.

3. CLIENTS AND CUSTOMERS

As a holding company that primarily holds investments and inter-company loans, the Company is not an operating entity and has limited transactions with third party clients and customers. Our main stakeholders are the Group's subsidiaries that have an active interest in the performance of the Company and its investments. The Company regularly engages with its key stakeholders in order to review and align its performance and long term strategies with those set out by the wider Holcim Group.

Aggregate Industries Limited
Strategic report
for the year ended 31 December 2020 (continued)

Section 172(1) Statement (continued)

4. SUPPLIERS

The Company's main third party suppliers are its appointed statutory auditors, with whom a high degree of transparency and communication is maintained in order to observe the Company's adherence to all relevant financial accounting and reporting requirements.

5. ENVIRONMENT

The Company's primary responsibilities are holding investments and interest bearing inter-company loans. As such, its impact on the environment and the wider society is minimal.

6. PRINCIPAL DECISIONS MADE

The principal board decisions approved during the year were made in line with the short and long term strategic goals and objectives of both the Company and the ultimate parent company, LafargeHolcim Ltd.

Dividends paid

More information on issued dividends for the year 2020 are provided in the Directors' Report on page 4.

Impact from COVID-19

Due to the COVID-19 crisis, the local market conditions were disrupted and impacted by various factors beyond the Company's control, including a prolonged spread of the pandemic, government measures affecting the Group's operations and customers' behaviours. These factors led to a high degree of uncertainty on the estimates and assumptions concerning the future that were considered in multiple scenarios within each of the Company's subsidiaries which are believed to be reasonable, supportable and realistic under the circumstances. The estimates and assumptions relating to the Company itself, notably those relating to assets impairments, income tax computation and hedged positions have been based on the available information at the end of December 2020. Investment returns have been depressed due to the suspension of pass-through dividends.

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

DocuSigned by:

John Bowater

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John Bowater

On behalf of Aggregate Industries Limited
Director
25 August 2021

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2020

The directors present their report together with the audited financial statements, for the year ended 31 December 2020.

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:

John Bowater
Guy Edwards (resigned 21 May 2021)
Philip Norah (appointed 26 May 2021)

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

Dividends

The dividends of £5,750k (2019: £48,134k) were paid in the first quarter of 2020 to the immediate parent company. Further information is shown in note 11.

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 performance, maturity date of its liabilities and the ability of the Company to cover short term repayments and the cashflow forecast for the next 12 months. As a result, the directors believe the Company has sufficient resources to pay its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis. The directors have also considered, there will be no significant and material impact of Covid 19 on the company.

Future developments

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

Events since the balance sheet date

There were no material disclosable or adjusting events between 31 December 2020 and the date of signing these financial statements.

Carbon reporting

As a low energy user, this entity is exempt from streamline carbon reporting.

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

Mazars LLP has been appointed as a statutory auditor of the Company during the year.

Aggregate Industries Limited
Directors' report
for the year ended 31 December 2020 (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;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

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John Bowater

On behalf of Aggregate Industries Limited
Director
25 August 2021

Aggregate Industries Limited

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

Opinion

We have audited the financial statements of Aggregate Industries Limited for the year ended 31 December 2020 which comprise Statement of comprehensive income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this regard.

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.

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.

DocuSigned by:

Louis Burns

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Louis Burns (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Two Chamberlain Square

Birmingham

B3 3AX

Date: 25 August 2021

Aggregate Industries Limited
Statement of Comprehensive Income
for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Income from shares in group undertakings		5,750	47,953
Amounts written off investments	6	-	(229,534)
Profit / (loss) before taxation	4	5,750	(181,581)
Tax on profit / (loss) on ordinary activities	5	-	-
Profit / (loss) on ordinary activities after taxation		5,750	(181,581)
Total comprehensive income / (expense) for the year attributable to the owners of the Company		5,750	(181,581)

The notes on pages 11 to 18 form part of these financial statements.

Aggregate Industries Limited
Company Registration No. 05655952
Balance Sheet
as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments in subsidiaries	6	<u>114,810</u>	<u>114,810</u>
Current assets			
Debtors (including £31,611k (2019 £31,611) due after more than one year)	7	<u>31,611</u>	<u>31,611</u>
Net current assets		<u>31,611</u>	<u>31,611</u>
Total assets		<u>146,421</u>	<u>146,421</u>
Creditors: amounts falling due after one year			
Amounts owed to group undertakings	8	<u>68,359</u>	<u>68,359</u>
Net assets		<u>78,062</u>	<u>78,062</u>
Equity			
Ordinary shares	10	13,460	13,460
Share premium	10	-	-
Other reserve	10	1,319	1,319
Retained earnings	10	<u>63,283</u>	<u>63,283</u>
Total shareholders' funds		<u>78,062</u>	<u>78,062</u>

The notes on pages 11 to 18 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021, they were signed on its behalf by:

DocuSigned by:

John Bowater

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John Bowater
 Director
 25 August 2021

Aggregate Industries Limited
Statement of Changes in Equity
for the year ended 31 December 2020

	Note	Attributable to the equity shareholders				
		Called up share capital	Share premium	Retained earnings	Other reserve	Total
		£'000	£'000	£'000	£'000	£'000
As at 1 January 2019		71,497	171,497	63,464	1,319	307,777
Total comprehensive (expense)		-	-	(181,581)	-	(181,581)
Dividends paid	11	-	-	(48,134)	-	(48,134)
Capital reduction	10	(58,037)	(171,497)	229,534	-	-
As at 31 December 2019		13,460	-	63,283	1,319	78,062
Total comprehensive income		-	-	5,750	-	5,750
Dividends paid	11	-	-	(5,750)	-	(5,750)
As at 31 December 2020		13,460	-	63,283	1,319	78,062

The notes on pages 11 to 18 form part of these financial statements.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2020

1 Corporate information

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 25 August 2021. 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 Strategic 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 Financial statements have not been prepared as the company is itself included in the consolidated Financial statements of Holcim Limited incorporated in Switzerland. Accordingly, these accounts present information about the company as an individual undertaking and not about its group. The group Financial statements of Holcim 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 principal 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

In 2020 the company has considered following amendments, new accounting standards and interpretation relevant and it has been concluded that they have no material impact from Amendment on these financial statements and as such no retrospective adjustments were required.

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Amendments to IFRS 16 - Covid-19-Related Rent Concessions

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. The Company's ultimate parent undertaking, Holcim Limited, was notified of and did not object to the use of the 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 performance, maturity date of its liabilities and the ability of the Company to cover short term repayments and the cashflow forecast for the next 12 months. As a result, the directors believe the Company has sufficient resources to pay its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis. The directors have also considered, there will be no significant and material impact of Covid 19 on the company.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2020

2 Accounting policies (continued)

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

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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. Since the receivables of the Company are with 100% Holcim Group companies, the credit risk is considered very low.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Impairment of financial assets

The Company revised its impairment methodology under IFRS 9, defining 2 types of financial assets subject to IFRS 9's expected credit loss model. For trade receivables, the Company applies the simplified approach providing for expected credit losses using the lifetime expected loss provision for trade receivables. For loans and receivables, the credit provision is determined based on the credit risk standing at each reporting date. There was no material impact relating to provisions on loan receivables on conversion to IFRS 9.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2020

2 Accounting policies (continued)
2.2 Summary of significant accounting policies (continued)

d Financial instruments (continued)

Derecognition of financial assets

The Company derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument, which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments and hedge accounting

The company mainly uses derivative financial instruments in order to reduce its exposure to changes in commodities prices. Derivatives are regarded as held for hedging unless they do not meet the strict hedging criteria stipulated under IFRS 9 Financial Instruments, in which case they will be classified as held for trading. Financial derivatives expected to be settled within 12 months after the end of the reporting year are classified as current assets or current liabilities. Movements in the cash flow hedging reserve are shown in the Statement of changes in equity.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss is dependent on the nature of the item being hedged. On the date a derivative contract is entered into, the Company designates certain derivatives as either (a) a hedge of the fair value of a recognized asset or liability (fair value hedge) or (b) a hedge of a particular risk associated with a recognized asset or liability, such as future interest payments on floating rate debt (cash flow hedge) or (c) a hedge of a foreign currency risk of a commitment (cash flow hedge).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective are recorded in the statement of income, along with any changes in fair value of the hedged asset or liability that is attributable to the hedged risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income (expenses). The Company documents at the inception of hedging transactions the economic relationship between hedging instruments and hedged items, including whether the hedging instrument is expected to offset changes in cash flows of hedged items, and its risk management objective and strategy.

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.

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2020

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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.

4 Profit / (loss) 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 2020 and 31 December 2019. No staff were employed by the Company during the year and in the previous year.

All 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.

The financial statement audit fee of £5,000 for the year (2019: £5,250) has been borne by a fellow group company.

There was no remuneration for non audit services in 2020 & 2019

5 Taxation

	2020 £'000	2019 £'000
UK corporation tax		
Current tax	-	-
Total current tax charge on (loss) / profit on ordinary activities	-	-
Tax on profit / (loss) on ordinary activities	-	-
Factors affecting current tax charge for the year		
The tax charge for the year differs from the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)		
The differences are explained below		
	2020 £'000	2019 £'000
Profit / (loss) on ordinary activities before taxation	5,750	(181,541)
Tax on profit / (loss) on ordinary activities at the standard rate	1,093	(34,500)
Income not taxable	(1,093)	(9,111)
Expenses not deductible	-	43,611
	-	-

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the Company's losses for this accounting period are taxed at an effective rate of 19% (2019: 19%).

Aggregate Industries Limited
Notes to the financial statements
for the year ended 31 December 2020

6 Investments

	Unlisted subsidiaries £'000
Cost	
At 1 January 2020	344,344
At 31 December 2020	<u>344,344</u>
Provision for impairment	
At 1 January 2020	(229,534)
Charge for the year	-
At 31 December 2020	<u>(229,534)</u>
Net book value	
At 31 December 2020	<u>114,810</u>
At 31 December 2019	<u>114,810</u>

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 6.84% (2019: 6.62%) and cash flows beyond the five year period are extrapolated using a 2.00% (2019: 2.00%) 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, Evered Limited and London and Northern Group Limited. The principal indirect subsidiary undertakings are shown in note 9 to the financial statements.

7 Debtors

	Effective interest rate %	Maturity	2020 £'000	2019 £'000
Non current:				
Loans due from group companies - unsecured	N/A	On demand (12 months notice)	<u>31,611</u>	<u>31,611</u>
			<u>31,611</u>	<u>31,611</u>

8 Amounts owed to group undertakings

	Effective interest rate %	Maturity	2020 £'000	2019 £'000
Non-current:				
Loan due to group company - unsecured	N/A	On demand (12 months notice)	<u>68,359</u>	<u>68,359</u>

Amounts due to group undertakings are repayable to on demand with 12 months notice. Given the loan is not interest bearing, its carrying value has been adjusted to fair value using an interest rate of 1.93%.

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 South West Limited	100%	Active	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
		Non-trading		
Aggregate Industries UK Limited	100%	Trading	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
Becman Haulage Limited	100%	Dormant	Great Britain	2 Dukesway, Prudhoe, NE42 6PQ
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 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
Notes to the financial statements
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9 Subsidiaries and associated undertakings (continued)

Name of company	Ordinary Share Holding	Nature of business	Principal place of business	Registered office
Charcon Holdings Limited	100%	Dormant	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
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
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
Evertrain Limited	100%	Dormant	Great Britain	Regent Centre, Newcastle upon Tyne, NE
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
Geocycle UK 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
K.R.M.Concrete Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Kendall Bros. (Portsmouth) Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Kendall Marine Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lafarge Cauldon 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%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lyttag Holdings Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Lyttag Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Maxi Readymix Concrete Limited	100%	Trading	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
Northumbrian Roads Limited	100%	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
RFS Works Limited*	50%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Redditch Concrete Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Restored Properties Limited	100%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
SeaRock Ltd*	50%	Dormant	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Simply Paving Ltd	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
Stalybridge Readymix Holdings Limited	100%	Trading	Great Britain	Bardon Hall, Copt Oak Road, LE67 9PJ
Stalybridge Readymix Limited	100%	Trading	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
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 Limited	100%	Dormant	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	Ordinary 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%	In liquidation	France	23, rue du Clos d'Orleans, 94120 Fontenay Sous Bois, France

**Joint Venture Company*

*** Wholly owned subsidiary of Joint Venture Company*

Companies struck off in 2020: Aggregate Supplies Limited, Northumbria Investments Limited, Stoneflair Northern Limited.
 Applications pending to strike companies off in 2021: Yeoman France S.A.R.L..

Companies sold in 2020: Alfred Robinson (Builders & Contractors) Limited, E Fletcher (Builders) Cannock Limited, E Fletcher (Stoke) Limited and The Thomas Langley Group Limited

10 Capital and Reserves

Capital	2020 '000	2019 '000
<i>Authorised:</i>		
Ordinary shares of £1 each	175,000	175,000
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	13,460	13,460
	2020 £'000	2019 £'000
Share Capital	13,460	13,460
Share Premium	-	-
	13,460	13,460

Equity share capital comprises the net proceeds up to par value on issue of the company's equity share capital, of 13,460k ordinary shares of £1 each. A capital reduction took place on 17 December 2019 whereby the share premium was fully cancelled together with 58,036,711 Ordinary Shares of £1 each.

Retained earnings

It represents distributable reserves.

Other reserve

It represents contribution received from the parent when the Company was provided with loan funding at a below market rate of interest.

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11 Dividends paid and proposed

	2020 £'000	2019 £'000
Declared and paid during the year:		
Final dividend	<u>5,750</u>	<u>48,134</u>

On 26th March 2020 Aggregate Industries Limited declared and paid dividends to Aggregate Industries Holdings Limited amounting to £5,750k. The dividends are in accordance with the Company's dividend policy.

	2020 £'000	pence per share	2019 £'000	pence per share
January	-	-	181	0.3
March	5,750	42.7	5,900	8.3
June	-	-	18,120	25.3
September	-	-	5,788	8.1
December	-	-	18,145	133.8
	<u>5,750</u>		<u>48,134</u>	

12 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.

The ultimate parent undertaking of Aggregate Industries Holdings Limited is Holcim Ltd which is registered in Switzerland. Copies of the group financial statements of Holcim Ltd may be obtained from Grafenauweg 10, 6300 Zug, Switzerland, or from www.holcim.com/investor-relations.

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

13 Events since the balance sheet date

There were no material disclosable or adjusting events between 31 December 2020 and the date of signing these financial statements.