Registered number
0245717

Aggregate Industries UK Limited

Reports and Financial Statements
for the year ended 31 December 2013

Aggregate Industries UK Limited
Reports and financial statements
for the year ended 31 December 2013

Aggregate Industries UK Limited
Directors and advisors

Directors
J F Bowater
J Atherton-Ham
P Frenay
M Pearce
N Lander
P Ward

Auditors
Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

Registered office
Bardon Hall
Copt Oak Road
Markfield
Leicestershire
LE67 9PJ

Registered number
0245717

Aggregate Industries UK Limited
Strategic report
for the year ended 31 December 2013

The directors present their Strategic report for the year ended 31 December 2013.

Business review

The principal activity of the Company is the exploitation of land and mineral reserves principally for the supply of heavy building materials for construction activities.

The Company's Statement of Profit and Loss and Other Comprehensive Income and Balance Sheet appear on pages 8 and 9 respectively. The Company's key financial and other performance indicators during the year were as follows:

	2013	2012	Change
	£'000	£'000	%
Turnover	**1,077,105**	1,025,731	5
Operating EBITDA*	**96,448**	40,524	138
Net Assets	**240,449**	200,058	20
LTIFR**	**0.4**	0.5	20

*Operating EBITDA represents operating profit before depreciation, impairment of investments, tangible fixed assets and exceptional restructuring costs.
**LTIFR is the number of lost time incidents per 1 million hours worked.

Factors affecting the Key Performance Indicators in 2013 are as follows:

Turnover of £1,077 million is up on 2012 which reflects the recovery in UK construction markets in the second half of the year as well as the benefits of recent restucturing events to reshape the business to meet ongoing demand. The increase in turnover was also supported by improved average selling prices.

Operating EBITDA of £96.4 million was significantly higher than 2012 which was due to the improving market conditions towards the end of the year but principally due to the cost saving and other management actions put in place over the previous two year period. The result also benefited from £15.0 million of profit from fixed asset sales (2012: £1.4 million loss) which represented surplus assets and the sale of assets in certain of the Scottish business units to Breedon Aggregates Limited in April 2013.

The operating EBITDA is stated before further restructuring costs of £2.0 million (2012: £13.5 million), impairment of aborted project costs and mothballed units of £7.6 million (2012: £6.6 million) and the carrying value of certain investments of £7.8 million (2012: £2.3 million).

The improved trading result and sale of surplus assets has also resulted in stronger cash flow generation and increased headroom against available financing facilities.
Net assets have increased primarily due to post tax profits and the actuarial gains on the pension schemes.

The Company's continued focus on, and investment in, safety has resulted in another robust LTIFR performance.

Outlook

It is anticipated that overall demand for our products across all of our key market segments will increase further in 2014 with the construction sector showing strong growth in the first half and a projected positive growth forecast for full year 2014 of approximately 4-5%.

The directors continue to review the production capacity and support structure of the business and therefore additional cost saving measures were put in place for 2013, including a further reduction in the workforce. These and other pricing and cost efficiency measures are expected to combine with market growth to further improve EBITDA in 2014.

The Company continues to have a strong financing base with ongoing finance provided by its ultimate parent undertaking as well as £234 million of undrawn external facilities at 31 December 2013 (see note 18). Subsequent to the year end, this headroom has been reduced by £50 million as the strong liquidity position of the Company meant that the £75 million bilateral facility expiring in June 2014 was replaced by a new £25 million two year facility at a cheaper rate.

Aggregate Industries UK Limited
Strategic report
for the year ended 31 December 2013

Principal risks and uncertainties
The principal risks and uncertainties facing the Company are broadly grouped as Economic risks, Competitive risks, Legislative risks, Weather Risks, Energy Costs and Financial Instrument Risks.

Economic Risks
Demand for our products is closely linked to general economic conditions in the regions in which we operate. Depressed economic conditions could have a detrimental impact on demand for, and pricing of, our products which could result in reduced sales and profits.

Competitive Risks
Significant major contracts with various customers, including local authorities and national agencies are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

In addition, there exists the risk of competitors entering into the market or expanding existing market shares through price cutting and "loss leader" products.

Legislative Risks
Building materials and construction products are produced to locally and nationally imposed standards. Failure to comply with the standards could materially affect the Company's ability to operate.

National and local government policies with regard to the development of infrastructure and housing have a significant effect on demand for our products. Reductions in government funding for construction projects could reduce spending on our products and potentially reduce our sales and profits.

Changes in government policy or legislation relating to planning and the environment could affect our operating costs and our ability to increase or replace our permitted reserves.

Weather Risks
Periods of inclement weather can reduce the demand for our products or our ability to produce our products and thereby could potentially reduce our sales and profits.

Energy Costs
Aggregate Industries UK Limited is a significant consumer of energy and hydro-carbon related products for use in production and distribution of its products. Increases in the costs of these materials can significantly impact the production costs of our products and if we are not able to recover such costs through the prices of our products this could reduce our profits.

Financial Instrument Risks
The Company faces credit, liquidity and cash flow risks.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Credit risks, or the risk of counterparties defaulting, are constantly monitored. Counterparties to financial instruments consist of a large number of major financial institutions. The Company does not expect any counterparties to fail to meet their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company. The Company also manages liquidity risk via revolving credit facilities and long term debt with the support of its ultimate parent Company.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on variable rate debt.

This report was approved by order of the board.

J F Bowater

On behalf of Aggregate Industries UK Limited
Director
22 October 2014

Aggregate Industries UK Limited
Directors' report
for the year ended 31 December 2013

The directors present their report for the year ended 31 December 2013.

Directors
The following directors held office during the year and subsequently:

A Bourguignon	(resigned 16 October 2014)
J F Bowater	
J Atherton-Ham	
P Frenay	
M A Eberlin	(resigned 28 February 2013)
M Pearce	(appointed 1 February 2013)
G Edwards	(appointed 19 December 2013, resigned 1 April 2014)
N Lander	(appointed 1 April 2014)
P Ward	(appointed 1 April 2014)

Information on the directors' remuneration is shown in note 5.

Dividends
The directors paid a final dividend of £Nil (2012: £31 million, £309 per share).

Going concern
The directors have considered the maturity date of the Company's liabilities, the ability of the Company to cover short term repayments and the latest detailed rolling 18 month forecast. The plan assumes that the existing committed facilities at 31 December 2013 will be reduced by £50 million and the uncommitted reduced by £25 million due to the improving liquidity performance of the Company. After consideration of all of the above, the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements. As detailed in note 18, the Company has substantial unutilised financing facilities.

Future developments
The Company intends to continue to operate in the area of exploitation of land and mineral reserves principally for the supply of heavy building materials for construction activities.

Research and development
The Company invests in activities for continued manufacturing and process improvements.

Events since the balance sheet date

In July 2014, the Company refinanced its £75 million committed credit facility which matured in June 2014. Due to the improving liquidity of the Company, the new facility was reduced to £25 million to mature in July 2016 at a new reduced interest rate. In September 2014, the Company refinanced its £25 million committed credit facility which matured in September 2014. The new facility is to mature in September 2016 and is at a new reduced interest rate.

Employment policies
The Company has continued to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company. It will continue to ensure that employees are encouraged to participate in the effective running of the Company.

The Company continues to adopt a policy of non-discrimination in the employment of disabled persons. Their training and career development are consistent with the Company's general policies and procedures relating to those activities. In addition, where an employee becomes disabled, every effort is made to ensure continuity of employment or to offer suitable employment with appropriate retraining if necessary.

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 auditors
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.

Auditors
In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the Strategic Report, 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). 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 for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

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.

J F Bowater
On behalf of Aggregate Industries UK Limited
Director

22 October 2014

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

We have audited the financial statements of Aggregate Industries UK Limited for the year ended 31 December 2013 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101, Reduced Disclosure Framework.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic and Directors' Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Ernst & Young LLP

Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

28 OCTOBER 2014

Aggregate Industries UK Limited
Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Continuing operations			
Sale of goods		**1,075,761**	1,024,348
Rental income		**1,344**	1,383
Turnover	3	**1,077,105**	1,025,731
Cost of sales		**(698,427)**	(697,413)
Gross profit		**378,678**	328,318
Selling and distribution costs		**(268,409)**	(251,928)
Administrative expenses		**(87,288)**	(92,256)
Other operating income/(expenses)	4	**15,015**	(1,172)
Exceptional restructuring costs	4	**(2,016)**	(13,455)
Impairment of tangible fixed assets	10	**(7,597)**	(6,615)
Impairment of carrying value of investments	12	**(7,827)**	(2,331)
Operating profit/(loss)	4	**20,556**	(39,439)
Interest payable and similar cost	6	**(16,365)**	(15,127)
Interest receivable and similar income	7	**1,536**	17,187
Profit/(loss) on ordinary activities before taxation		**5,727**	(37,379)
Tax credit for the year	8	**24,600**	29,394
Profit/(loss) for the financial year		**30,327**	(7,985)
Other comprehensive income			
Remeasurement gains/(losses) on defined benefit pension plans	24	**16,146**	(37,037)
Deferred tax liability movement on defined benefit pension plans	8	**(3,230)**	8,518
Deferred tax liability movement due to change in rate	8	**(2,852)**	(972)
Other comprehensive income/(expense) for the year		**10,064**	(29,491)
Total comprehensive income/(expense) for the year		**40,391**	(37,476)

Aggregate Industries UK Limited
Company Registration No. 0245717
Balance Sheet
as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	**42,481**	40,930
Tangible fixed assets	10	**848,158**	888,042
Investment properties	11	**182**	182
Investments	12	**473,089**	475,223
		1,363,910	1,404,377
Current assets			
Stocks	13	**72,958**	74,473
Debtors (including £58,031k (2012:£70,283k) due after more than one year)	14	**272,456**	250,608
Cash at bank and in hand	15	**2,555**	24,533
		347,969	349,614
Total assets		**1,711,879**	1,753,991
Creditors: amounts falling due within one year	16	**363,838**	351,084
Provisions for liabilities	20b	**8,851**	11,172
		372,689	362,256
Net current liabilities		**(24,720)**	(12,642)
Total assets less current liabilities		**1,339,190**	1,391,735
Creditors: amounts falling due after more than one year	17	**901,692**	946,557
Provisions for liabilities			
Deferred tax liability	20a	**81,000**	104,000
Other liabilities	20b	**44,203**	54,993
Pension deficit	24	**71,846**	86,127
		197,049	245,120
Net assets		**240,449**	200,058
Capital and reserves			
Called up share capital	21	**100**	100
Share premium	22	**32,791**	32,791
Retained Earnings		**206,250**	166,352
Other share reserve	27	**1,308**	815
Shareholders' funds		**240,449**	200,058

The financial statements were approved by the board on 22 October 2014 and were signed on its behalf by:

J F Bowater
Director

Aggregate Industries UK Limited

Statement of Changes in Equity

for the year ended 31 December 2013

	Attributable to the equity shareholders				
	Called up Share capital	Share premium	Retained earnings	Other share Reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000
As at 1 January 2012	**100**	**32,791**	**234,377**	**1,266**	**268,534**
Loss for the financial year	-	-	(7,985)	-	(7,985)
Other comprehensive expense	-	-	(29,491)	-	(29,491)
Total comprehensive expense for the year	-	-	(37,476)	-	(37,476)
Equity Dividends paid	-	-	(31,000)	-	(31,000)
Share based payment transaction	-	-	451	(451)	-
As at 31 December 2012	**100**	**32,791**	**166,352**	**815**	**200,058**
Profit for the financial year	-	-	30,327	-	30,327
Other comprehensive income	-	-	10,064	-	10,064
Total comprehensive income for the year	-	-	40,391	-	40,391
Equity Dividends paid	-	-	-	-	-
Share based payment transaction	-	-	(493)	493	-
As at 31 December 2013	**100**	**32,791**	**206,250**	**1,308**	**240,449**

1 Corporate information

The financial statements of the Company for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 22 October 2014. The company is a private limited company incorporated and domiciled in England & Wales.

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 Holcim Ltd incorporated in Switzerland. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. Goodwill is initially measured at cost being the excess of the cost of the acquisition over the company's share of the assets and liabilities recognised on acquisition. Subsequently goodwill is not amortised but is reviewed annually for impairment or whenever there is an indicator of impairment. This is a departure from the requirement of the Companies Act which requires the amortisation of goodwill. The company has invoked a true and fair override in respect of the non-amortisation of goodwill because the carrying value of goodwill is not considered to reduce gradually over its life. The company is not able to reliably estimate the impact of non-amortisation in the profit and loss account because the useful economic life and pattern of diminishment of the goodwill cannot be reliably predicted.

The Company's ultimate parent undertaking, Holcim Ltd, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101.

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.

Going Concern

The directors have considered the maturity date of the Company's liabilities, the ability of the Company to cover short term repayments and the latest detailed rolling 18 month forecast. The plan assumes that the existing committed facilities at 31 December 2013 will be reduced by £50 million and the uncommitted reduced by £25 million due to the improving liquidity performance of the Company. After consideration of all of the above, the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements. As detailed in note 18, the Company has substantial unutilised financing facilities.

2.2 Summary of significant accounting policies

a Investments

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

b Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at prevailing currency rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are transacted using the exchange rates as at the dates of the initial transactions.

c Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease terms.

2.2 Summary of significant accounting policies *(continued)*

c Turnover *(continued)*

Contracting

Where the outcome of a construction contract can be estimated reliably, turnover and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured as the physical proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer and can be reliably estimated.

Where the outcome of a construction contract cannot be estimated reliably, contract turnover is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as allowance for forseeable loss.

When costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds billings to contract customers, the balance is shown as unbilled services. When billings to contract customers exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as advance payments from customers.

d Income taxes

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.

Current income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the statement of profit & loss.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

e Pensions and other post-employment benefits

The company operates defined contribution pension plans and defined benefit pension plans for some of its employees.
Under defined contribution pension plans, the company pays fixed contributions on a current basis into a separate (third party) recognised pension fund and will have no obligation to pay further contributions. Such fixed contributions are recognised in the statement of profit & loss in the period in which they become payable.

Under defined benefit pension plans, the company is obliged to pay certain benefits upon retirement. The obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on a straight line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognised when the curtailment or settlement occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the statement of profit & loss within administrative expenses.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

2.2 Summary of significant accounting policies *(continued)*

f 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 profit or loss; loans and debtors; 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 cash and short-term deposits and trade and other debtors.

Subsequent measurement

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

Loans and financial assets

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 profit & loss. The losses arising from impairment are recognised in the statement of profit & loss.

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; or
- 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:
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but had transferred control of the asset, or
- The Company has transferred substantially all the risks and rewards of the asset.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

In relation to trade debtors, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the debtor is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as irrecoverable.

ii Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through 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, less directly attributable costs.

The Company's financial liabilities include, trade and other creditors, other creditors and accruals, loans and borrowings and bank overdrafts.

Subsequent measurement

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

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 profit & loss 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 and loss.

2.2 Summary of significant accounting policies *(continued)*

g Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of tangible fixed assets are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of tangible fixed assets less their estimated residual values, is written off by equal annual instalments over their expected useful lives as follows:

Short leasehold land and buildings	over the life of the lease
Freehold buildings	20 - 25 years
Plant, equipment and vehicles	3 - 20 years
Freehold land	nil

h Mineral reserves

Mineral reserves are valued at cost, net of accumulated depreciation. Depreciation is charged over their estimated remaining lives on the basis of tonnage extracted.

i Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise. Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic is expected from its disposal. Any gains or losses on the retirement or disposal of investment property, is recognised in the income statement in the period of derecognition.

j Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit & loss on a straight line basis over the lease term.

Lessor policy

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Intial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in debtors.

k Goodwill

Goodwill is not amortised but tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than its carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

l Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

m Stock

Stock is valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw Materials - purchase cost on a first in, first out basis;

Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.2 Summary of significant accounting policies *(continued)*

n Debtors

Trade debtors, which generally have 30 day terms following the month of invoice, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, debtors are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

o Provisions

General provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest payable.

Restoration costs

Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

p Cash and cash equivalents

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

q Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future income from the related project.

r Share based payment transactions

Certain employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions) issued by the ultimate parent undertaking.

The cost of equity-settled transactions is recognised together with a corresponding increase in other capital reserves in equity, over the period in which the performance conditions are fulfilled (annually to recognise the annual performance targets).

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

2.3 Significant accounting judgements, estimates and assumptions *(Continued)*

Impairment of non-financial assets

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 fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next four 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 or the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount are further explained in note 9.

Pension benefits

The cost of defined benefit pension plans and other post employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Further details about the assumptions are given in note 24.

Provision for restoration

Restoration costs are provided at the present value of expected costs to settle the obligations using estimated cash flows. The estimated future costs of restoration and the discount rate are reviewed annually. Further details are given in note 20b.

3 Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of VAT. Turnover includes contracting turnover of £277.3m in 2013 (2012: £252.1m).

4 Operating profit/(loss) is stated after charging/(crediting)

	2013 £'000	2012 £'000
Included within cost of sales		
Cost of stocks recognised as an expense	**331,009**	328,680
Depreciation of tangible fixed assets:		
Owned	**58,433**	57,179
Leased	**19**	383
Amortisation of intangible fixed assets	**59**	-
Impairment of tangible fixed assets	**7,597**	6,615
Research and development expenditure	**732**	861
Included within administrative expenses		
Auditor's remuneration		
Audit of the fianancial statements	**374**	393
Non audit services	**31**	31
Auditing the accounts of any subsidiaries of the Company	**25**	25
Rentals payable under operating leases:		
Plant and machinery	**19,549**	26,871
Land and buildings	**16,966**	18,217
Exchange losses	**295**	106
Included within other operating income		
(Gain)/Loss on disposal of fixed assets (see note 10)	**(15,015)**	1,437

During the year the company incurred the following exceptional items as part of a restructuring programme:

Exceptional restructuring	**2013 £'000**	2012 £'000
Restructuring	**2,016**	13,455

5 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year was as follows:

	2013 Number	2012 Number
	3,331	3,979

The aggregate payroll costs of these persons were as follows:

	2013 £'000	2012 £'000
Wages and salaries	127,153	154,923
Social security costs	12,598	13,053
Other pension costs	13,636	12,665
	153,387	180,641

The aggregate emoluments of the directors of the company were:

	2013 £'000	2012 £'000
Directors' emoluments	3,907	3,265
Company contributions to money purchase pension schemes	159	164
	4,066	3,429
Compensation for loss of office	301	-

One director was a member of a defined benefit pension scheme (2012: One).

One director was a member of a money purchase pension scheme (2012: One).

The emoluments of the highest paid director were £1,690,000 (2012: £1,337,000). Contributions paid to money purchase or defined benefit pension schemes in respect of the highest paid director were £66,000 (2012: £93,000).

The Company regards the statutory directors as being the key management personnel of the business.

6 Interest payable and similar cost

	2013 £'000	2012 £'000
Group interest payable	11,623	9,478
Bank loan and overdraft	2,409	2,995
Unwinding of discount	1,610	1,755
Finance charges payable on finance leases and hire purchase contracts	12	35
Other interest payable	711	864
	16,365	15,127

7 Interest receivable and similar income

	2013 £'000	2012 £'000
Other interest receivable	4	94
Inter group interest receivable	382	648
Dividends received	1,150	16,445
	1,536	17,187

8 Taxation

	2013 £'000	2012 £'000
UK corporation tax		
Current tax	**1,540**	(1,750)
Adjustments in respect of prior years	**2,942**	345
	4,482	(1,405)
Deferred tax note		
Origination and reversal of timing differences	**(4,000)**	(10,501)
Adjustments in respect of prior years	**(10,000)**	(6,535)
Impact of deferred tax rate change	**(15,082)**	(10,953)
	(29,082)	(27,989)
Tax credit on profit/(loss) on ordinary activities recorded in the statement of profit and loss	**(24,600)**	(29,394)
Deferred tax on actuarial gains/losses	**3,230**	(8,518)
Impact of change in tax rate	**2,852**	972
Deferred tax charge/(credit) included in Other Comprehensive Income	**6,082**	(7,546)

Factors affecting the tax credit for the current year:

The current tax credit for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

Total tax reconciliation	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before tax	**5,727**	(37,379)
Current tax at 23.25% (2012 : 24.5%)	**1,332**	(9,158)
Effects of		
Expenses not allowable for tax purposes	**626**	1,787
Income not included for tax purposes	**(616)**	(4,029)
Impact of deferred tax rate change	**(15,082)**	(10,953)
Adjustments in respect of prior periods	**(7,058)**	(6,190)
Tax effect of disposal of capital assets	**(3,802)**	(851)
Total tax credit	**(24,600)**	(29,394)

The standard rate of UK corporation tax was reduced from 24% to 23% effective 1 April 2013. On 5 December 2012, the UK Chancellor announced a further reduction in the tax rate to 21% effective from 1 April 2014. On 20 March 2013, the UK Chancellor announced a further reduction in the tax rate to 20% effective from 1 April 2015.

Deferred tax has been calculated at 20%.

9 Intangible assets

	Intangibles	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 1 January 2013	261	61,334	61,595
Additions	1,610	-	1,610
At 31 December 2013	**1,871**	**61,334**	**63,205**
Amortisation			
At 1 January 2013	261	20,404	20,665
Charge for the year	59	-	59
At 31 December 2013	**320**	**20,404**	**20,724**
Net book value			
At 31 December 2013	**1,551**	**40,930**	**42,481**
At 31 December 2012	-	40,930	40,930

Intangibles represent the cost of intellectual property rights and IT software.

In the opinion of the directors the carrying value of the remaining goodwill is not more than the recoverable amount hence there is no impairment recognised. The Company allocates goodwill across several Cash Generating Units (CGUs). The CGUs are established at a regional business level and are determined by how business resources are managed and how cash flows are monitored. 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 6.54% and cash flows beyond the three year period are extrapolated using a 2.1% 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. There is no reasonably possible change in any of the key assumptions that would cause the carrying value of the goodwill to exceed recoverable amount.

10 Tangible fixed assets

	Mineral reserves	Land and buildings	Plant, equipment and vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2013	808,349	185,806	476,092	1,470,247
Additions	5,054	19,989	37,320	62,363
Disposals	(21,850)	(21,660)	(48,631)	(92,141)
At 31 December 2013	**791,553**	**184,135**	**464,781**	**1,440,469**
Depreciation				
At 1 January 2013	155,195	101,657	325,353	582,205
Charge for the year	21,667	11,642	25,143	58,452
Impairment of tangible fixed assets	581	2,750	4,266	7,597
Disposals	(5,087)	(10,772)	(40,084)	(55,943)
At 31 December 2013	**172,356**	**105,277**	**314,678**	**592,311**
Net book value				
At 31 December 2013	**619,197**	**78,858**	**150,103**	**848,158**
At 31 December 2012	653,154	84,149	150,739	888,042

Disposals in the year include surplus assets as well as the Scottish assets sold to Breedon Limited on 30 April 2013. These disposals resulted in an overall profit on sale of £3.5m.

During the year £7.6m (2012: £6.6m) of assets were impaired with respect to aborted project costs and mothballed units that are no longer expected to reopen in the future.

Included in land and buildings and plant, equipment and vehicles are assets held under finance lease agreements with a net book value of £Nil (2012: £140k).

Commitments for capital expenditure are as follows:	**2013**	2012
	£'000	£'000
Contracted for but not provided	**12,077**	13,980
	12,077	13,980

11 Investment properties

	Land and Buildings £'000
Cost and net book value	
At 31 December 2012	182
At 31 December 2013	**182**

12 Investments

	Subsidiary undertakings £000	Joint ventures & Associates £000	Other £000	Total £000
Cost				
At 1 January 2013	557,220	20,941	153	578,314
Additions	1,508	4,000	-	5,508
Other	(4,851)	-	-	(4,851)
At 31 December 2013	**553,877**	**24,941**	**153**	**578,971**
Provision for impairment				
At 1 January 2013	102,026	912	153	103,091
Impairment in the year	528	7,299	-	7,827
Other	(5,036)	-	-	(5,036)
At 31 December 2013	**97,518**	**8,211**	**153**	**105,882**
Net book value				
At 31 December 2013	**456,359**	**16,730**	**-**	**473,089**
At 31 December 2012	455,194	20,029	-	475,223

The addition in the year relates to the incorporation of a joint venture Wight Building Materials Limited and the increased holding in Lytag Holdings Limited from 51% to 80%. The "other" reduction in investments represents the liquidation of dissolved businesses.

Following a review of the carrying value of investments, a charge of £7.8m (2012: £2.3m) was made to write down the carrying values to the lower of their net asset values and values in use.

In assessing the investments for impairment, the directors have reviewed the Company's assets and the three year forecast as described in note 9 and are satisfied that there is no further impairment. With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the investment to exceed recoverable amount.

Principal operating subsidiary undertakings, which are all wholly owned except where shown, are listed below:

	Country of incorporation	Nature of business
London Concrete Limited	Great Britain	Ready mixed concrete
Halsvik Aggregates AS	Norway	Quarrying
Lytag Holdings Limited (80%)	Great Britain	Lightweight Aggregate

Joint ventures

The principal joint ventures, which are all incorporated in Great Britain unless stated, are listed below:

	Proportion of voting rights and shares held	Nature of business
Tendley Quarries Limited	50%	Quarrying and asphalt
Mendip Rail Limited	50%	Haulage
Dansk Natursten A/S (incorporated in Denmark)	50%	Merchanting crushed stone
Charcon Limited (indirectly owned)	50%	Concrete Products
Wight Building Materials Limited	50%	Quarrying and asphalt
Simply Paving Limited	50%	Concrete Products

13 Stocks

	2013 £'000	2012 £'000
Raw materials	**18,201**	15,322
Unbilled services	**2,749**	2,755
Finished goods	**52,008**	56,396
	72,958	74,473

14 Debtors

	2013 £'000	2012 £'000
Trade debtors	**156,549**	139,242
Amounts owed by group undertakings	**12,919**	8,535
Amounts owed by fellow subsidiaries	**1,147**	925
Amounts owed by joint ventures and associates	**16,220**	11,950
Amounts owed by parent undertaking	**1,854**	690
Other debtors	**11,975**	6,288
Prepayments and accrued income	**13,761**	12,695
Total current	**214,425**	180,325
Trade debtors	**2,544**	3,746
Amounts due from group undertakings	**15,369**	18,956
Amounts due from fellow subsidiaries	**36,634**	36,571
Amounts due from joint ventures and associates	**3,484**	2,559
Amounts due from parent undertaking	**-**	8,451
Total non-current	**58,031**	70,283
	272,456	250,608

Trade debtors include contracting retentions of £8,318,000 at 31 December 2013 (2012: £8,592,000)

15 Cash at bank and in hand

	2013 £'000	2012 £'000
Cash at bank and in hand	**2,555**	24,533
	2,555	24,533

16 Creditors

	2013 £'000	2012 £'000
Bank loans and overdrafts	**40,808**	2,021
Obligations under finance leases and hire purchase contracts	**-**	45
Trade creditors	**177,688**	168,609
Amounts due to parent undertakings	**17,429**	32,443
Amounts due to group undertakings	**10,009**	3,694
Amounts due to fellow subsidiaries	**25,665**	23,841
Amounts due to joint ventures and associates	**1,491**	5,214
Other taxes and social security	**25,711**	39,163
Income taxes	**5,816**	8,248
Accruals and deferred income	**43,784**	44,292
Other creditors	**15,437**	23,514
	363,838	351,084

Amounts due to group undertakings are repayable on demand.

17 Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Bank loans and overdrafts	**-**	35,000
Obligations under finance leases and hire purchase contracts	**-**	47
Amounts due to fellow subsidiaries	**215,455**	210,899
Amounts due to joint ventures and associates	**2**	250
Amounts due to parent undertakings	**424,049**	437,939
Amounts due to group undertakings	**262,186**	262,422
	901,692	946,557

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Effective interest rate %	Maturity	2013 £'000	2012 £'000
Creditors falling due within less than one year				
Obligations under finance leases and hire purchase	4.80%	2013	-	45
Bank overdrafts	1.50%		40,777	2,021
Bank loan	BoE Base + 2.25%	2014	31	-
Amounts due to Aggregate Industries Holdings Limited	Libor* + 1%	2014	13,039	-
			53,847	2,066
Creditors falling due more than one year				
Obligations under finance leases and hire purchase contracts	4.80%	2015	-	47
Amounts due to Aggregate Industries Holdings Limited	Libor* + 2.72%	2016	200,000	200,000
Amounts due to Aggregate Industries Holdings Limited	3.40% fixed	2016	200,000	200,000
Amounts due to Aggregate Industries Holdings Limited	Libor* + 1%	2014	-	37,939
Bank loan	Libor* + 1.75%	2014	-	25,000
Bank loan	Libor* + 1.60%	2014	-	10,000
			400,000	472,986
Total interest-bearing loans and borrowings			453,847	475,052

*Libor - 3 month sterling

Bank Facilities

As at 31 December 2013, the company has committed bilateral bank facilities totalling £150 million of which £nil is drawn down. In addition, the company has £125 million of uncommitted overdraft facilities at 31 December 2013, of which £41 million is drawn down. These are used to manage the working capital fluctuations of the business. As described in note 30, the company has agreed the renewals and extensions of £50 million of the bilateral facilities post year end with ongoing committed bilateral facilities of £100 million.

19 Obligations under finance leases

The Company had finance leases and hire purchase contracts for various items of plant and machinery. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are as follows:

	2013 Minimum payments £'000	2013 Present value of payments £'000	2012 Minimum payments £'000	2012 Present value of payments £'000
Within one year	-	-	49	45
After one year but not more than five years	-	-	50	47
More than five years	-	-	-	-
Total minimum lease payments	-	-	99	92
Less amounts representing finance charges	-	-	(7)	-
Present value of minimum lease payments	-	-	92	92

20 Provisions for liabilities

a) Deferred tax

	Deferred tax £'000
At 1 January 2013	104,000
Debited to other comprehensive income (note 24)	6,082
Credited to the Statement of Profit and Loss (note 8)	(29,082)
At 31 December 2013	**81,000**
Current	
At 31 December 2013	-
At 31 December 2012	-
Non-Current	
At 31 December 2013	**81,000**
At 31 December 2012	104,000

Tax effect of timing differences because of:

	2013 £'000	2012 £'000
Differences between accumulated depreciation and capital allowances	**105,751**	138,807
Other timing differences	**(24,751)**	(34,807)
Provision	**81,000**	104,000

At 31 December 2013 there was no recognised deferred tax liability (2012: £nil) for taxes that could become payable on the unremitted earnings of certain subsidiaries, associates and joint ventures as dividend receipts from UK entities should be exempt from further UK tax, and for overseas entities, the company can control the extent and timing of any distribution such that no material tax consequences are expected to occur.

b) Other provisions

	Restoration & site remedial £'000	Other provisions £'000	Total £'000
At 1 January 2013			
Current	3,000	8,172	11,172
Non-current	53,015	1,978	54,993
	56,015	**10,150**	**66,165**
Arising during the year	2,188	6,386	8,574
Utilised in the year	(3,401)	(9,822)	(13,223)
Reversal of unused amounts	(1,547)	(1,462)	(3,009)
Disposal	(7,063)	-	(7,063)
Movement in discount rate	1,610	-	1,610
At 31 December 2013	**47,802**	**5,252**	**53,054**
Analysed as:			
Current	6,051	2,800	8,851
Non-Current	41,751	2,452	44,203
	47,802	5,252	53,054

Restoration provisions have been established in respect of legal, contractual or constructive obligations. Amounts have been estimated based on advice and opinions of suitably qualified and experienced specialists. These provisions are expected to be utilised over the life of the respective sites. Long term provisions are discounted to their present value based on long-term borrowing rates.

Other provisions include property, legal and restructuring provisions. The legal provisions are expected to be utilised within two to five years depending on the nature of the claims.

21 Called up share capital

	2013	2012
	£'000	£'000
Allotted, called up and fully paid		
100,300 Ordinary shares of £1 each	**100**	100
	100	100

22 Reserves

Share capital and share premium accounts
Equity share capital comprises the net proceeds up to par value on issue of the Company's equity share capital, of 100,300 ordinary shares of £1 each. The excess proceeds above the par value are recognised within the share premium account.

Other capital reserve
As noted in more detail in note 27, this reserve relates to the cumulative charges for compensation to management paid in shares of the ultimate parent company, Holcim Ltd.

23 Dividends

A dividend of £Nil (2012: £309) per ordinary share, totalling £Nil (2012: £31,000,000) was paid in the year.

24 Pension schemes

The Company operates two Defined Benefit Plans, the Foster Yeoman Pension Plan (FYPP) amd the Aggregate Industries Pension Plan (AIPP), and also has a variety of Defined Contribution Schemes. The Defined Benefit Scheme arrangements are detailed below. The contributions by the Company to the Defined Contribution Schemes in the year were £3,489,000 (2012: £5,524,000). At the end of the year these pension contributions were paid in full.

Foster Yeoman Pension Plan

On 1 November 2009, as part of the hive up agreement between Aggregate Industries UK Limited and Foster Yeoman Limited, the company assumed responsibility for the management of the existing funded pension scheme in the UK known as "the Plan".

On 1 July 2013 the Plan's benefits, already insured under an exisitng "buy-in" policy with PIC, were transferred fully from the policy in the Trustees' name to individual policies in the members' names and were therefore "bought out".

The position at 31 December 2013 reflects the fact that the Defined Benefit (DB) liabilities of the scheme have been bought out by the Trustees. Following the "buy-out" the only assets that remain (other than those held in respect of the Defined Contribution (DC) members' personal retirement funds) are those in the Plan's Trustee Bank account. The Plan's assets at the period end have therefore been taken to be equal to the to the balance of the Trustees' bank account which, once allowance is made for estimated expenses for the remainder of the year, has been estimated at approximately £130,000 at December 2013.

As part of the completion of the Plan's funding valuation in April 2011, it was agreed that adminstration expenses would be met from Plan assets with effect from 1 April 2011 until completion of the next formal funding valuation. Therefore a reserve for expenses has been included in the liabilities as at 31 December 2013, which will be used to fund future expenses of the Plan as the wind up process is completed.

The Company operated a funded pension scheme in the UK (the 'Plan') for employees of Foster Yeoman Limited. A full actuarial valuation was carried out at 30 June 2013 by a qualified independent actuary.

The principal assumptions used by the actuary were (in absolute terms):

		2013 (%p.a.)	2012 (%p.a.)
Future salary increases		**n/a**	n/a
General Annual Salary Increase (GASI)		**3.60%**	3.20%
Future LPI pension increases		**3.10%**	2.70%
Discount rate		**4.30%**	4.10%
Inflation assumption		**3.10%**	2.70%
Revaluation in deferment		**2.30%**	1.90%
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	**22.6**	20.9
	Females	**24.6**	23.4
Retiring in 20 years time	Males	**23.9**	22.2
	Females	**26.2**	24.6

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The sensitivies regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Change in assumption**	**Impact on scheme liabilities**
Discount Rate	1% increase	-
	1% decrease	-
Rate of salary increases	1% increase	-
	1% decrease	-
Post retirement mortality	Increase by 1 year	-
	Decrease by 1 year	-

	Fair Value at 31 Dec 2013 £'000	Fair Value at 31 Dec 2012 £'000
Cash and other	**130**	-
Insured Annuities	-	78,113
Total fair value	**130**	78,113

None of the assets of the Plan are invested in the Company's own financial instruments and none of the assets are properties or other assets used by the Company.

24 Pension schemes (continued)

Reflected in the Balance Sheet

	2013 £'000	2012 £'000
Fair value of Plan assets	130	78,113
Present value of funded obligations	(130)	(79,361)
Plan deficit of funded obligations	-	(1,248)
Net liability from funded and unfunded plans	-	(1,248)

	2013 £'000	2012 £'000
Employee benefits liability	-	(1,248)
Deferred tax asset	-	287
Net liability	-	(961)

The amounts recognised in the Statement of Profit and Loss	2013 £'000	2012 £'000
Expected return on plan assets	(1,567)	(3,248)
Interest cost	1,592	3,292
Total (included in administrative expenses)	25	44
Amounts recognised in Other Comprehensive Income		
Actuarial (gains)/losses	(1,273)	449
Deferred tax	255	(103)
Total recognised in Other Comprehensive Income	(1,018)	346
Actual return on Plan assets	2,958	10,902
Cumulative actuarial losses recognised in Other Comprehensive Income	(43,080)	(44,353)

Changes in the present value of the defined benefit obligation are as follows:

	£'000
Defined benefit obligation as at 31 December 2011	72,053
Interest cost	3,292
Actuarial losses	8,103
Other	1,143
Benefits paid	(5,230)
Defined benefit obligation as at 31 December 2012	79,361
Interest cost	1,592
Actuarial losses	118
Settlements	(79,093)
Benefits paid	(1,848)
Defined benefit obligation as at 31 December 2013	130

Changes in the fair value of plan assets are as follows:

	£'000
Fair value of plan assets as at 31 December 2011	70,945
Expected return on plan assets	3,248
Actuarial gains	7,654
Contributions by employer	353
Other	1,143
Benefits paid	(5,230)
Fair value of plan assets as at 31 December 2012	78,113
Expected return on plan assets	1,567
Actuarial gains	1,391
Settlements	(79,093)
Benefits paid	(1,848)
Fair value of plan assets as at 31 December 2013	130

The Company expects to have no contributions to its defined benefit pension plan in 2014.

24 Pension schemes *(continued)*

Aggregate Industries Pension Plan

The company participates in a defined benefit pension scheme, a funded UK wide pension scheme (the 'Plan') providing benefits based on final pensionable pay. The plan is detailed below.

A full actuarial valuation was carried out at 5 April 2013 and updated to 31 December 2013 by a qualified independent actuary.

The principal assumptions used by the actuary were (in absolute terms):

		2013 (%p.a.)	2012 (%p.a.)
Future salary increases		**3.20%**	2.70%
General Annual Salary Increase (GASI)		**3.20%**	3.20%
Future LPI pension increases		**3.20%**	2.70%
Discount rate		**4.60%**	4.10%
Inflation assumption		**3.20%**	2.70%
Revaluation in deferment		**2.20%**	1.90%
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	**22.6**	20.9
	Females	**24.6**	23.4
Retiring in 20 years time	Males	**23.9**	22.2
	Females	**26.2**	24.6

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The assumptions used in determining the overall expected return of the assets of the Plan have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate. The fair value of the Plan's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Plan's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

The sensitivies regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Change in assumption**	**Impact on scheme liabilities** £'000
Discount Rate	1% increase	(75,915)
	1% decrease	98,182
Rate of salary increases	1% increase	12,946
	1% decrease	(11,392)
Post retirement mortality	Increase by 1 year	17,080
	Decrease by 1 year	(17,412)

	Fair value at 31 Dec 2013 £'000	Fair value at 31 Dec 2012 £'000
Equities and Property	**200,337**	166,979
Fixed Interest	**55,773**	56,768
Insured Annuities	**188,941**	192,589
Cash and Other	**940**	1,317
Total fair value	**445,991**	417,653

None of the assets of the Plan are invested in the Company's own financial instruments and none of the assets are properties or other assets used by the Company.

The amounts recognised in the Balance Sheet are as follows:

	2013 £'000	2012 £'000
Fair value of Plan assets	**445,991**	417,653
Present value of funded obligations	**(517,837)**	(502,532)
Plan deficit of funded obligations	**(71,846)**	(84,879)

24 Pension schemes *(continued)*

Reflected in the Balance Sheet	**2013**	2012
	£'000	£'000
Defined benefit deficit	**(71,846)**	(84,879)
Deferred tax asset	**14,369**	19,522
Net liability	**(57,477)**	(65,357)

The amounts recognised in the Statement of Profit and Loss	**2013**	2012
	£'000	£'000
Expected return on plan assets	**(16,857)**	(21,890)
Current service cost	**6,886**	7,141
Contribution by the employees	**(187)**	(206)
Interest costs	**20,280**	20,641
Total (included in administrative expenses)	**10,122**	5,686
Amounts recognised in Other Comprehensive Income		
Actuarial (gains)/losses	**(14,873)**	36,588
Deferred tax	**2,975**	(8,415)
Total recognised in Other Comprehensive Income	**(11,898)**	28,173
Actual return on Plan assets	**41,331**	33,740
Cumulative actuarial losses recognised in Other Comprehensive Income	**(117,771)**	(132,644)

Changes in the present value of the defined benefit obligation are as follows:	
	£'000
Defined benefit obligation as at 31 December 2011	446,211
Current service costs	7,141
Interest cost	20,641
Actuarial losses	48,438
Benefits paid	(19,899)
Defined benefit obligation as at 31 December 2012	502,532
Current service cost	6,886
Interest cost	20,280
Actuarial losses	9,601
Benefits paid	(21,462)
Defined benefit obligation as at 31 December 2013	**517,837**

Changes in the fair value of plan assets are as follows:	
	£'000
Fair value of plan assets as at 31 December 2011	395,740
Expected return on plan assets	21,890
Actuarial gains	11,850
Contributions by employer	7,866
Contributions by employees	206
Benefits paid	(19,899)
Fair value of plan assets as at 31 December 2012	417,653
Expected return on plan assets	16,857
Actuarial gains	24,474
Contributions by employer	8,282
Contributions by employees	187
Benefits paid	(21,462)
Fair value of plan assets as at 31 December 2013	**445,991**

The Company expects to contribute approximately £8,300,000 to its defined benefit pension plan in 2014.

25 Contingent liabilities

The Company has contingent liabilities in respect of bonds, guarantees and agreements entered into in the normal course of business from which it is anticipated that no material liabilities will arise.

26 Leasing commitments

Operating lease commitments held under non-cancellable agreements are summarised as follows:

	Land & buildings		Other	
	2013	2012	**2013**	2012
	£'000	£'000	**£'000**	£'000
Future minimum rentals payable under operating				
Within one year	**9,642**	10,472	**5,481**	5,590
Between two and five years	**33,553**	38,501	**2,391**	5,294
After five years	**70,689**	84,388	**-**	-
	113,884	133,361	**7,872**	10,884

27 Share-based payment plans

Part of the variable performance related compensation for management is paid in shares of the ultimate parent company, Holcim Ltd. The value of the award is a percentage of base salary relative to the annual performance targets and shares are granted based on the average market price of the shares in January and February of the following year. The shares cannot be sold by the employees for a period of three years. The total expense arising from this share plan amounted to £1.0m (2012: £Nil)

28 Parent and ultimate parent company

The immediate parent company is Aggregate Industries Limited, incorporated in Great Britain and the ultimate parent undertaking is Holcim Ltd which is incorporated in Switzerland. This is the smallest and largest group in which results are consolidated.

Copies of the accounts of Holcim Ltd are available on www.holcim.com or from Holcim Ltd Corporate Communications, Zurcherstrasse 156, CH-8645 Jona, Switzerland.

29 Related party disclosures

During the year the company had the following transactions with certain of its joint ventures and related parties.

	Sales	Purchases
	£'000	**£'000**
2013		
Joint ventures and associates	**9,076**	**40,590**
2012		
Joint ventures and associates	5,471	59,210

Amounts owed by related parties	**2013**	**2012**
	£'000	£'000
Amounts owed by joint ventures and associates	**19,704**	14,509
	19,704	14,509

Amounts owed to related parties	**2013**	**2012**
	£'000	£'000
Amounts owed to joint ventures and associates	**1,493**	5,464
	1,493	5,464

There were no transactions of a material nature that were made with senior management or directors which require disclosure other than the directors' remuneration paid that is disclosed in note 5.

30 Post balance sheet events

In July 2014, the Company refinanced its £75 million committed credit facility which matured in June 2014. Due to the improving liquidity of the Company, the new facility was reduced to £25 million to mature in July 2016 at a new reduced interest rate. In September 2014, the Company refinanced its £25 million committed credit facility which matured in September 2014. The new facility is to mature in September 2016 and is at a new reduced interest rate.