

Registered number
0245717

Aggregate Industries UK Limited

Reports and Financial Statements
for the year ended 31 December 2015

Aggregate Industries UK Limited
Reports and financial statements
for the year ended 31 December 2015

	Page
Directors and advisors	1
Strategic report	2
Directors' report	5
Independent auditor's report to the members of Aggregate Industries UK Limited	7
Statement of Profit and Loss and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the financial statements	11

Aggregate Industries UK Limited
Directors and advisors

Directors

J F Bowater
J Atherton-Ham
P Frenay
M Pearce
F Petry

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 2015

The directors present their Strategic report for the year ended 31 December 2015.

Business review

The principal activity of Aggregate Industries UK Ltd ("the Company") is the exploitation of land and mineral reserves principally for 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:

	2015	2014	Change
	£'000	£'000	%
Turnover	1,241,800	1,164,646	7
Operating EBITDA*	161,101	112,519	43
Net Assets	147,332	231,668	(36)
LTIFR**	1.9	1.3	46

*Operating EBITDA represents operating profit before depreciation, amortisation of intangible assets, impairment of investments, tangible fixed assets and exceptional costs.

**LTIFR is the number of lost time incidents per one million hours worked.

Factors affecting the Key Performance Indicators in 2015 are as follows:

Turnover of £1,242 million is up on 2014 which reflects the recovery in UK construction markets during the year as well as the benefits of the recent restructuring events to reshape the business to meet ongoing demand. The increase in turnover was also supported by improved average selling prices.

Operating EBITDA of £161 million was significantly higher than 2014 which was due to the improving market conditions throughout the year but principally due to the cost saving and other management actions put in place over the previous three year period.

The operating EBITDA is stated before further exceptional costs of £128.5m. These have mainly arisen following a review of the asset base of the new LafargeHolcim Ltd group subsequent to the merger of Holcim Ltd (the Company's previous ultimate parent) and Lafarge SA in 2015. This identified that the recoverable amount of certain assets within the Company was lower than their carrying value, particularly in relation to remaining mineral reserves on mothballed sites, resulting in an increased depreciation charge during the period of £93.7m (2014: £nil), increased amortisation of intangible assets £1.2m (2014: £nil) and onerous property costs £2.8m (2014: £nil). In addition, a provision against amounts due from group undertakings of £30.8m (2014: £nil) has been made as the amounts due are unlikely to be recovered as a result of continued trading losses for these group undertakings.

The improved trading result has also resulted in stronger cash flow generation and increased headroom against available financing facilities.

Net assets have decreased primarily due to payment of a dividend of £58.5m and exceptional costs of £128.5m.

Whilst there has been a deterioration in the Company's LTIFR during the year there is a continued focus on, and investment in, safety. The Company's LTIFR performance remains ahead of industry averages.

Outlook

It is anticipated that overall demand for our products across all of our key market segments will increase in 2016, although at lower levels than previously anticipated due to uncertainty surrounding the EU referendum. The construction sector is expected to show modest growth throughout 2016 with a projected positive growth forecast for full year 2016 of approximately 2%.

The business is well structured to support the anticipated market growth and retains flexibility to address any changes in trading conditions. The business continues to manage its cost base robustly and expects to continue to benefit from the company wide cost saving and efficiency measures introduced over the previous two years. These initiatives, combined with new pricing and operational efficiency measures, are expected to combine with modest market growth to further improve EBITDA in 2016.

The Company continues to have a strong financing base with ongoing finance provided by its ultimate parent undertaking as well as £250 million of undrawn external facilities at 31 December 2015 (see note 18). Subsequent to the year end, £50m of existing bilateral facility was renewed and extended to £100m at the same rate with maturity in August 2017.

Aggregate Industries UK Limited
Strategic report
for the year ended 31 December 2015

Outlook (continued)

The merger of Holcim Ltd (the Company's previous ultimate parent) and Lafarge SA completed on the 15th July 2015. As a result the Company becomes a wholly owned subsidiary of the new LafargeHolcim Ltd Group. This merger has resulted in the Company taking on operational responsibility for two cement plants, one quarry, one cement export terminal and one rail depot. However the financial results of these assets are reported in Lafarge Holdings UK Ltd and will not impact the Company.

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.

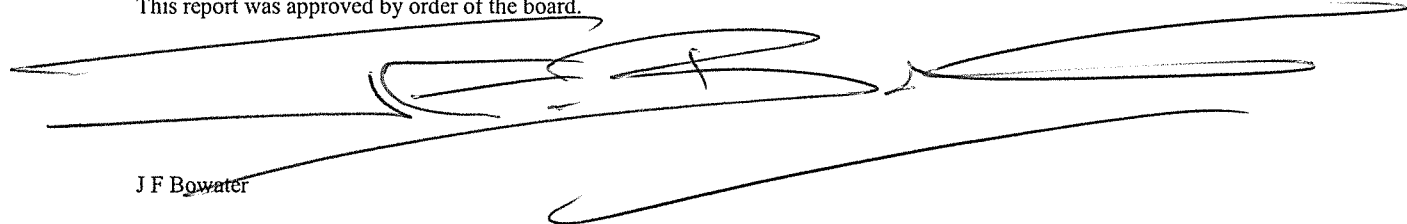
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company. The Company also manages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

Aggregate Industries UK Limited
Strategic report
for the year ended 31 December 2015

Principal risks and uncertainties (continued)

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. The Company is largely funded through Group loans at a fixed rate of interest. As such the timing and amount of repayments are known.

This report was approved by order of the board.

A large, stylized handwritten signature in black ink, appearing to read 'J F Bowater', is written across the page. The signature is composed of several overlapping loops and lines, extending from the left margin towards the right.

J F Bowater

On behalf of Aggregate Industries UK Limited
Director
12 September 2016

Aggregate Industries UK Limited
Directors' report
for the year ended 31 December 2015

The directors present their report for the year ended 31 December 2015.

Directors

The following directors held office during the year and subsequently:

J F Bowater
J Atherton-Ham
P Frenay
M Pearce
F Petry (appointed 1 December 2015)
N Lander (resigned 26 June 2015)
P Ward (resigned 30 November 2015)

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

Dividends

The directors paid a final dividend of £58.5m, £583 per share (2014: £19.4m, £193 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 2015 will be renewed where required. 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. During May 2016, the Company borrowed £174m through committed facilities in order to finance repayment of a fellow group company's external debt on 31 May 2016.

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 March 2016 the company refinanced one of its £50m committed credit facilities and extended this to £100m. The new facility is at the same interest rate and matures in 2017. In August 2016 the company extended one of its £25m facilities until 2019 at the same 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.

Aggregate Industries UK Limited
Directors' report (continued)
for the year ended 31 December 2015

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.

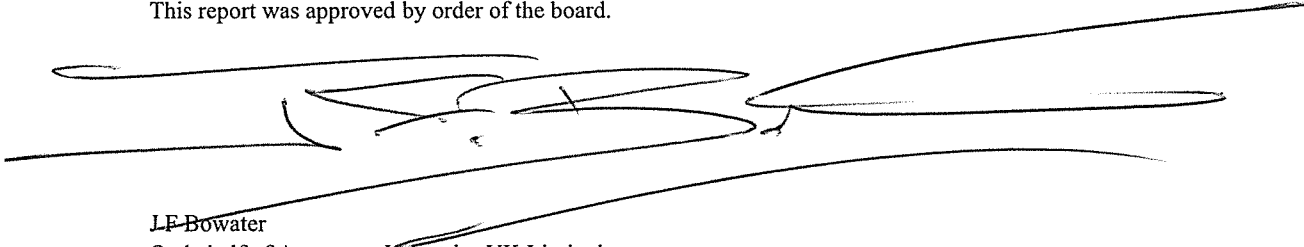
Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.P. Bowater
On behalf of Aggregate Industries UK Limited
Director

12 September 2016

**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 2015 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 29. 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 2015 and of its loss 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

13 September 2016

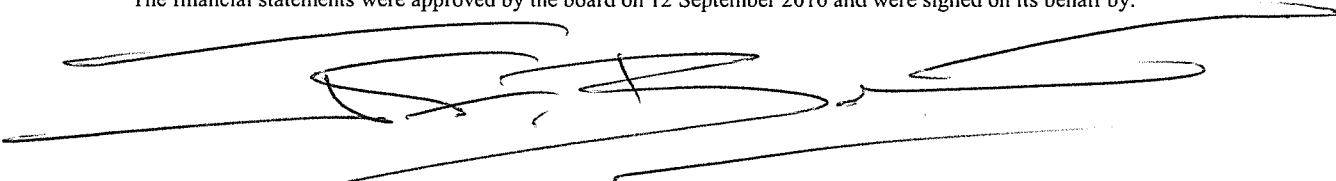
Aggregate Industries UK Limited
Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Continuing operations			
Sale of goods		1,240,589	1,163,309
Rental income		1,211	1,337
Turnover	3	<u>1,241,800</u>	<u>1,164,646</u>
Cost of sales		(739,853)	(719,456)
Gross profit		<u>501,947</u>	<u>445,190</u>
Selling and distribution costs		(303,474)	(293,437)
Administrative expenses		(97,541)	(97,985)
Other operating income	4	1,023	188
Exceptional costs	4	(128,449)	-
Impairment of carrying value of investments	12	(22,998)	(4,496)
Operating (loss) / profit	4	<u>(49,492)</u>	<u>49,460</u>
Interest payable and similar cost	6	(37,908)	(42,152)
Interest receivable and similar income	7	32,331	31,686
(Loss) / profit on ordinary activities before taxation		<u>(55,069)</u>	<u>38,994</u>
Tax credit / (charge) for the year	8	7,628	(5,075)
(Loss) / profit for the financial year		<u>(47,441)</u>	<u>33,919</u>
Other comprehensive income			
Remeasurement gains/(losses) on defined benefit pension plans	23	26,290	(29,148)
Deferred tax liability movement on defined benefit pension plans	8	(5,258)	5,830
Deferred tax liability movement due to change in rate	8	526	-
Other comprehensive income / (expenses) for the year		<u>21,558</u>	<u>(23,318)</u>
Total comprehensive (expense) / income for the year		<u>(25,883)</u>	<u>10,601</u>

Aggregate Industries UK Limited
 Company Registration No. 0245717
 Balance Sheet
 as at 31 December 2015

	Note	2015 £'000	2014 £'000
Non current assets			
Intangible assets	9	41,486	42,784
Tangible fixed assets	10	734,833	839,017
Investment properties	11	182	182
Investments	12	445,880	466,342
		<u>1,222,381</u>	<u>1,348,325</u>
Current assets			
Stocks	13	76,022	73,839
Debtors (including £33,061k (2014 : £66,343k) due after more than one year)	14	238,578	299,576
Cash at bank and in hand	15	29,793	414
		<u>344,393</u>	<u>373,829</u>
Total assets		<u>1,566,774</u>	<u>1,722,154</u>
Creditors: amounts falling due within one year			
Provisions for liabilities	16	321,376	348,538
	19b	15,352	7,828
		<u>336,728</u>	<u>356,366</u>
Net current assets		<u>7,665</u>	<u>17,463</u>
Total assets less current liabilities		<u>1,230,046</u>	<u>1,365,788</u>
Creditors: amounts falling due after more than one year			
	17	906,823	910,918
Provisions for liabilities			
Deferred tax liability	19a	54,500	74,500
Other liabilities	19b	42,689	46,319
Pension deficit	23	78,702	102,383
		<u>175,891</u>	<u>223,202</u>
Net assets		<u>147,332</u>	<u>231,668</u>
Capital and reserves			
Called up share capital	20	100	100
Share premium	21	32,791	32,791
Retained Earnings		113,463	197,799
Other share reserve	26	978	978
Shareholders' funds		<u>147,332</u>	<u>231,668</u>

The financial statements were approved by the board on 12 September 2016 and were signed on its behalf by:


 J F Boywater
 Director

Aggregate Industries UK Limited
Statement of Changes in Equity
for the year ended 31 December 2015

	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 2014	100	32,791	206,250	1,308	240,449
Profit for the financial year	-	-	33,919	-	33,919
Other comprehensive expense	-	-	(23,318)	-	(23,318)
Total comprehensive expense for the year	-	-	10,601	-	10,601
Equity Dividends paid	-	-	(19,382)	-	(19,382)
Share based payment transaction	-	-	330	(330)	-
As at 31 December 2014	100	32,791	197,799	978	231,668
Loss for the financial year	-	-	(47,441)	-	(47,441)
Other comprehensive income	-	-	21,558	-	21,558
Total comprehensive expense for the year	-	-	(25,883)	-	(25,883)
Equity Dividends paid	-	-	(58,453)	-	(58,453)
Share based payment transaction	-	-	-	-	-
As at 31 December 2015	100	32,791	113,463	978	147,332

1 Corporate information

The financial statements of the Company for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 12 September 2016. 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 LafargeHolcim Ltd (formerly Holcim Ltd) incorporated in Switzerland for the year ended 31 December 2015. 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 in accordance with IFRS 3 'Business Combinations' and IAS 36 'Impairment of Assets', 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 paragraph 22 of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the Regulations') that goodwill is carried at cost reduced by provisions for amortisation calculated to write off the goodwill systematically over a period chosen by the Directors, which does not exceed its useful economic life. As the company's treatment of goodwill conflicts with the Regulations, the Directors have invoked a true and fair override in order to overcome the prohibition on non-amortisation of goodwill in the Companies Act 2006. Assuming a useful life of 20 years, the loss for the year would have been £3,067k higher had goodwill been amortised in the year.

LafargeHolcim 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 2015 will be renewed where required. 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. During May 2016, the Company borrowed £174m through committed facilities in order to finance repayment of a fellow group company's external debt on 31 May 2016.

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.

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

2.2 Summary of significant accounting policies (continued)

c Turnover (continued)

Rental income

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

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 foreseeable 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 exceptions:

- 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 expected return on plan assets and the interest cost is recognised in the statement of profit & loss within interest income and interest costs respectively.

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.

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

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. Initial 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 are stated at cost less accumulated amortisation.

Intangible assets with finite useful lives are written off by equal annual instalments over their expected useful lives of between 3 and 6 years.

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.

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

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 to pre-extraction costs are added to or deducted from the cost of the asset. Changes in the estimated future costs or in the discount rate of post extraction costs are recognised in the statement of profit and loss. Further details are given in note 19.

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 issued by the ultimate parent undertaking. Where the costs of these transactions are incurred in the ultimate parent undertaking, these are accounted for as equity-settled transactions. Where the costs are recharged to Aggregate Industries UK Limited, these are accounted for as cash-settled transactions.

The costs of equity-settled transactions are 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).

The costs of cash-settled transactions are recognised as a staff cost in the statement of comprehensive income 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:

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 of 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.

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

2.3 Significant accounting judgements, estimates and assumptions (Continued)

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 23.

3 Turnover

Turnover comprises the invoice value of goods and services supplied by the company, exclusive of VAT. Turnover in the year includes contracting turnover of £306.7m (2014: £290.5m).

4 Operating (loss) / profit is stated after charging/(crediting)	2015 £'000	2014 £'000
<i>Included within cost of sales</i>		
Cost of stocks recognised as an expense	342,245	358,794
<i>Depreciation of tangible fixed assets:</i>		
Owned	58,446	58,210
Leased	-	-
Amortisation of intangible fixed assets	700	353
Research and development expenditure	765	1,149
<i>Included within administrative expenses</i>		
Auditor's remuneration		
Audit of the financial statements	336	339
Non audit services	31	31
Auditing the accounts of any subsidiaries of the Company	25	25
<i>Rentals payable under operating leases:</i>		
Plant and machinery	23,939	21,336
Land and buildings	17,091	17,441
Exchange losses	358	160
<i>Included within other operating income</i>		
Loss on disposal of investments (see note 12)	-	206
Gain on disposal of fixed assets (see note 10)	(1,023)	(394)
	2015 £'000	2014 £'000
<i>Exceptional costs</i>		
Amounts provided against amounts receivable from group undertakings	30,754	-
Onerous property costs	2,756	-
Accelerated amortisation	1,204	-
Accelerated depreciation on fixed assets	93,735	-

Exceptional costs of £128.5m (2014: £nil) have arisen following a review of the AIUK asset base subsequent to the merger of Holcim Limited (the Company's previous ultimate parent) and Lafarge SA in 2015. This identified that the recoverable amount of certain assets within the Company was lower than their carrying value, particularly in relation to remaining mineral reserves of mothballed sites which are no longer planned to be exhausted subsequent to the merger and have resulted in an increased depreciation charge during the period of £93.7m (2014: £nil), increased amortisation of £1.2m (2014: £nil) and onerous property costs of £2.8m (2014:£nil).

A provision against amounts receivable from group undertakings of £30.8m (2014: £nil) has been made as a result of continued trading losses made by Lytag Holdings Limited and Charcon Holdings Limited. The amounts receivable from these wholly owned subsidiaries is considered non-recoverable and amounts have been provided for of £12.2m and £18.5m respectively.

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

5 Staff numbers and costs

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

	2015 Number	2014 Number
	3,214	3,031

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	133,293	122,737
Social security costs	12,771	11,802
Other pension costs	9,048	11,664
	155,112	146,203

The aggregate emoluments of the directors of the company were:

	2015 £'000	2014 £'000
Directors' emoluments	3,513	3,925
Company contributions to money purchase pension schemes	122	125
	3,635	4,050
Compensation for loss of office	53	-

One director was a member of a defined benefit pension scheme (2014: One).

Five directors were members of a money purchase pension scheme (2014: Five).

The emoluments of the highest paid director were £1,168,940 (2014: £1,082,000). Contributions paid to money purchase or defined benefit pension schemes in respect of the highest paid director was £nil (2014: £Nil).

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

6 Interest payable and similar cost

	2015 £'000	2014 £'000
Group interest payable	13,561	13,669
Bank loan and overdraft	935	2,199
Unwinding of discount	1,156	1,052
Finance charges payable on finance leases and hire purchase contracts	-	4
Interest payable on defined benefit obligation and other interest payable	22,256	25,228
	37,908	42,152

7 Interest receivable and similar income

	2015 £'000	2014 £'000
Return on plan assets and other interest receivable	16,401	20,263
Inter group interest receivable	2,411	680
Dividends received	13,519	10,743
	32,331	31,686

Aggregate Industries UK Limited
Notes to the Financial Statements
for the year ended 31 December 2015 (continued)

8 Taxation	2015 £'000	2014 £'000
UK corporation tax		
Current tax	16,800	6,485
Adjustments in respect of prior years	304	(740)
	17,104	5,745
Deferred tax note		
Origination and reversal of timing differences	(19,732)	(1,170)
Adjustments in respect of prior years	1,000	500
Impact of deferred tax rate change	(6,000)	-
	(24,732)	(670)
Tax (credit) / charge on (loss) / profit on ordinary activities recorded in the statement of profit and loss	(7,628)	5,075
Deferred tax on actuarial gains/losses	5,258	(5,830)
Impact of change in tax rate	(526)	-
Deferred tax charge / (credit) included in Other Comprehensive Income	4,732	(5,830)

Factors affecting the tax credit for the current year:

The current tax (credit) / charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

Total tax reconciliation	2015 £'000	2014 £'000
(Loss) / profit on ordinary activities before tax	(55,069)	38,994
Current tax at 20.25% (2014 : 21.5%)	(11,151)	8,384
Effects of		
Expenses not allowable for tax purposes	9,345	(594)
Income not included for tax purposes	(2,738)	(2,310)
Impact of deferred tax rate change	(6,000)	-
Adjustments in respect of prior periods	1,304	(240)
Tax effect of disposal of capital assets	1,612	(165)
Total tax (credit) / charge	(7,628)	5,075

The UK government has announced and intention to further reduce the UK corporation tax rate to 19% from 1 April 2017, and a further reduction to 18% from 1 April 2020. These rate changes have been substantively enacted before the balance sheet date and as such have been reflected in the financial statements.

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

9 Intangible assets	Intangibles £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2015	2,492	61,334	63,826
Additions	607	-	607
Disposals	(31)	-	(31)
At 31 December 2015	3,068	61,334	64,402
Amortisation			
At 1 January 2015	638	20,404	21,042
Charge for the year	1,905	-	1,905
Disposals	(31)	-	(31)
At 31 December 2015	2,512	20,404	22,916
Net book value			
At 31 December 2015	556	40,930	41,486
At 31 December 2014	1,854	40,930	42,784

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 6.22% and cash flows beyond the three year period are extrapolated using a 2.2% growth rate which approximates to long term UK economic growth. Other key assumptions in the forecasts are internal pricing decisions and market volume projections sourced from published data from the Mineral Products Association. 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 £'000	Land and buildings £'000	Plant, equipment and vehicles £'000	Total £'000
Cost				
At 1 January 2015	803,014	195,576	478,459	1,477,049
Additions	19,232	12,211	17,989	49,432
Transfers from/(to) group companies	-	-	258	258
Disposals	(3,658)	(8,814)	(20,228)	(32,700)
At 31 December 2015	818,588	198,973	476,478	1,494,039
Depreciation				
At 1 January 2015	193,150	115,911	328,971	638,032
Charge for the year	102,612	17,551	32,018	152,181
Transfers from/(to) group companies	-	-	251	251
Disposals	(2,750)	(8,945)	(19,563)	(31,258)
At 31 December 2015	293,012	124,517	341,677	759,206
Net book value				
At 31 December 2015	525,576	74,456	134,801	734,833
At 31 December 2014	609,864	79,665	149,488	839,017

Disposals in the year largely relate to operational assets that have reached the end of their useful economic life and have been scrapped and replaced. Most of these assets have been fully written down and were held at nil net book value.

Following the merger of Holcim Ltd (the Company's previous ultimate parent) and Lafarge SA, a review of the asset base of the new LafargeHolcim Ltd group was undertaken during the year. The review identified that the recoverable amount of certain assets within the Company was lower than their carrying value, particularly in relation to remaining mineral reserves on mothballed sites, resulting in an increased depreciation charge during the period of £93.7m. Recoverable amounts were determined in line with IAS36 as the higher of value in use (using discounted future cashflows calculated in line with the assumptions laid out in note 9) and fair value less costs to sell (determined using current market data for similar assets).

Included within fixed assets is £26,879k (2014: £29,811k) for land that is not depreciated and £81,527k (2014: £54,260k) for assets under construction.

Commitments for capital expenditure are as follows:	2015 £'000	2014 £'000
Contracted for but not provided	4,992	8,092
	4,992	8,092

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

11 Investment properties	Land and Buildings £'000
Cost and net book value	
At 31 December 2014	182
At 31 December 2015	182

12 Investments	Subsidiary undertakings £000	Joint ventures & Associates £000	Other £000	Total £000
Cost				
At 1 January 2015	551,489	22,896	153	574,538
Transfer	250	(250)	-	-
Additions	1,757	-	779	2,536
Other	(29,645)	-	-	(29,645)
At 31 December 2015	523,851	22,646	932	547,429
Provision for impairment				
At 1 January 2015	96,121	11,922	153	108,196
Charge for the year	20,663	2,335	-	22,998
Other	(29,645)	-	-	(29,645)
At 31 December 2015	87,139	14,257	153	101,549
Net book value				
At 31 December 2015	436,712	8,389	779	445,880
At 31 December 2014	455,368	10,974	-	466,342

The additions of subsidiaries relate to acquisition of the remaining 20% shareholding of Lytag Holdings Ltd for £1,508k and acquisition of the remaining 50% of Charcon Holdings Ltd for £250k. The previously held 50% of Charcon Holdings Ltd was transferred to subsidiary undertakings from joint ventures & associates. Following a review of the carrying value of investments, a charge of £23.0m (2014: £4.4m) was made to write down the carrying values to the lower of their net asset values and values in use. The "Other" reduction in investments in subsidiary undertakings represents businesses that have been struck off during the year, having previously been fully impaired.

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.

Investments in subsidiary undertakings

Subsidiaries are listed below:

Name of company	Share Holding	Nature of business	Country of Incorporation
Aggregate Industries (England) Limited	100%	Dormant	Great Britain
Aggregate Industries South West Limited	100%	Dormant	Great Britain
Aggregate Supplies (Southern) Limited	100%	Dormant	Great Britain
Aggregate Supplies Limited	100%	Dormant	Great Britain
Aggs UK Limited	100%	Dormant	Great Britain
AI Mineral Products Limited	100%	Dormant	Great Britain
Alan C Bennett & Sons Limited	75%	Logistics	Great Britain
Alexander Property Developments Limited	100%	Dormant	Great Britain
Bardon Aggregates Limited	100%	Dormant	Great Britain
Bardon Fyfe Natural Stone Limited	100%	Dormant	Great Britain
BLN Routecare Limited	100%	Dormant	Great Britain
Border Stone Co. Limited	100%	Dormant	Great Britain
Bradwell Aggregates Limited	100%	Dormant	Great Britain
Brooke Concrete Products Limited	100%	Dormant	Great Britain
Camas Building Materials Limited	100%	Dormant	Great Britain
Camas UK Limited	100%	Dormant	Great Britain
Charcon Holdings Limited	100%	Holding	Great Britain
Charcon Limited	100%	Trading	Great Britain

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

12 Investments (continued)

Name of company	Share Holding	Nature of business	Country of Incorporation
CNL Minerals Limited	100%	Dormant	Great Britain
Concrete Developments Limited	100%	Dormant	Great Britain
Construction System Solutions Limited	100%	Dormant	Great Britain
Cruden Bay Brick & Tile Company Limited	100%	Dormant	Great Britain
CSSL Services Limited	100%	Trading	Republic of Ireland
Douglas Concrete Holdings Limited	100%	Dormant	Great Britain
Douglas Concrete Limited	100%	Dormant	Great Britain
EJS Concrete Products Limited	100%	Dormant	Great Britain
EJS Landscape Supplies Limited	100%	Dormant	Great Britain
Euston Holdings Limited	100%	Dormant	Great Britain
Evered Bardon Quarry Products Limited	100%	Dormant	Great Britain
Evered Concrete Products Limited	100%	Dormant	Great Britain
Foster Yeoman (Dulcote) Limited	100%	Dormant	Great Britain
Foster Yeoman Jetties Limited	100%	Dormant	Great Britain
Foster Yeoman Limited	100%	Holding	Great Britain
Fyfe Contractors Limited	100%	Dormant	Great Britain
Granville-Steel Contracting Limited	100%	Dormant	Great Britain
Hartigan Trading Limited	100%	Dormant	Great Britain
Ivonbrook Quarries Limited	100%	Dormant	Great Britain
John Fyfe Limited	100%	Dormant	Great Britain
Kennedy Asphalt Limited	100%	Dormant	Great Britain
Kernow Concrete Limited	100%	Dormant	Great Britain
London Concrete Limited	100%	Concrete	Great Britain
Lyttag Holdings Limited	100%	Holding	Great Britain
Lyttag Limited	100%	Aggregates	Great Britain
Melton Concrete Products Ltd	100%	Dormant	Great Britain
Mid Essex (Asphalt) Limited	100%	Dormant	Great Britain
Morvern Shipping Agency Limited	100%	Dormant	Great Britain
Ogden Roadstone Limited	100%	Dormant	Great Britain
Paragon Materials Limited	100%	Dormant	Great Britain
Rail Freight Services Limited	100%	Dormant	Great Britain
Rand Road Surfacing Limited	100%	Dormant	Great Britain
Rebastone Masonry Limited	100%	Dormant	Great Britain
Roller Compacted Concrete Company Limited	100%	Dormant	Great Britain
Rowecast Limited	100%	Dormant	Great Britain
SIA Yeoman Latvia	100%	Aggregates	Latvia
Site Services I.W. Limited	100%	Dormant	Great Britain
Sitebatch Limited	100%	Dormant	Great Britain
Spancast Concrete Floors Limited	100%	Dormant	Great Britain
St. Machar Development Company Limited	100%	Dormant	Great Britain
Stoneflair Limited	100%	Dormant	Great Britain
Stoneflair Northern Limited	100%	Dormant	Great Britain
Teeside Concrete Products Limited	100%	Dormant	Great Britain
W J Ladd (Concrete Products) Limited	100%	Dormant	Great Britain
Witherley Services Limited	100%	Dormant	Great Britain

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

12 Investments (continued)

Name of company	Share Holding	Nature of business	Country of Incorporation
Woodhall Spa Sand & Gravel Ltd	100%	Dormant	Great Britain
World Self Unloaders Limited	100%	Maintenance	Great Britain
Yeoman (Morvern) Limited	100%	Dormant	Great Britain
Yeoman Aggregates Limited	100%	Dormant	Great Britain
Yeoman Bulk Cargoes Limited	100%	Dormant	Great Britain
Yeoman France S.A.R.L.	100%	Aggregates	France
Yeoman Halsvik AS	100%	Quarrying	Norway
Yeoman Netherlands B.V.	100%	Aggregates	Netherlands
Yeoman Poland Sp. Z o.o.	100%	Aggregates	Netherlands

Joint ventures

Joint ventures are listed below:

Name of company	Share Holding	Nature of business	Country of Incorporation
Caird Evered Holdings Limited	50%	Holding	Great Britain
Caird Evered Limited	50%	Dormant	Great Britain
Callow Readymix Limited	50%	Concrete	Great Britain
Cotswold Aggregates Limited	50%	Dormant	Great Britain
Dansk Natursten A/S	50%	Aggregates	Denmark
Mendip Rail Limited	50%	Logistics	Great Britain
North Kent Roadstone Limited	50%	Road surfacing	Great Britain
Ranchaus No 16 Limited	50%	Dormant	Great Britain
Redditch Concrete Limited	50%	Concrete	Great Britain
Simply Paving Ltd	50%	Concrete Products	Great Britain
Tendley Quarries Limited	50%	Aggregates	Great Britain
The Mendip Basalt Co. Ltd	50%	Aggregates	Great Britain
Western Bridge (Shipping) Limited	50%	Logistics	Great Britain
Wight Building Materials Ltd	50%	Aggregates, asphalt	Great Britain

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

13 Stocks	2015	2014
	£'000	£'000
Raw materials	17,493	17,092
Unbilled services	3,057	1,498
Finished goods	55,472	55,249
	76,022	73,839

14 Debtors	2015	2014
	£'000	£'000
Trade debtors	161,454	175,276
Amounts owed by group undertakings	12,513	17,149
Amounts owed by fellow subsidiaries	4,598	1,286
Amounts owed by joint ventures and associates	1,836	16,701
Other debtors	15,055	14,041
Prepayments and accrued income	10,061	8,780
Total current	205,517	233,233
Trade debtors	5,226	2,964
Amounts due from group undertakings	10,134	16,396
Amounts due from fellow subsidiaries	6,150	35,846
Amounts due from joint ventures and associates	3,100	2,686
Amounts due from parent undertaking	8,451	8,451
Total non-current	33,061	66,343
	238,578	299,576

Trade debtors include contracting retentions of £6,905,000 at 31 December 2014 (2014: £7,041,000)

15 Cash at bank and in hand	2015	2014
	£'000	£'000
Cash at bank and in hand	29,793	414
	29,793	414

16 Creditors	2015	2014
	£'000	£'000
Bank loans and overdrafts	-	17,067
Trade creditors	166,187	181,705
Amounts due to group undertakings	2,050	7,533
Amounts due to fellow subsidiaries	41,169	36,878
Amounts due to joint ventures and associates	2,363	2,145
Other taxes and social security	20,308	32,008
Income taxes	16,916	8,833
Accruals and deferred income	51,250	44,872
Other creditors	21,133	17,497
	321,376	348,538

Amounts due to group undertakings are repayable on demand.

17 Creditors: amounts falling due after more than one year	2015	2014
	£'000	£'000
Amounts due to fellow subsidiaries	210,440	218,608
Amounts due to joint ventures and associates	2	2
Amounts due to parent undertakings	431,000	431,000
Amounts due to group undertakings	265,381	261,308
	906,823	910,918

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

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	2015 £'000	2014 £'000
Creditors falling due within less than one year				
Bank overdrafts	BoE Base + 0.9%		-	15,069
Bank loan	BoE Base + 2.25%	2017	-	2,000
			-	17,069
Creditors falling due more than one year				
Amounts due to Aggregate Industries Holdings Limited	Libor* + 2.72%	2021	200,000	200,000
Amounts due to Aggregate Industries Holdings Limited	3.40% fixed	2021	200,000	200,000
			400,000	400,000
Total interest-bearing loans and borrowings			400,000	417,069

*Libor - 3 month sterling

Bank Facilities

As at 31 December 2015, the company has committed bilateral bank facilities totalling £150 million of which £nil is drawn down (2014: £2m). In addition, the company has £100 million of uncommitted overdraft facilities at 31 December 2015, of which £nil is drawn down (2014: £15m). These are used to manage the working capital fluctuations of the business. In March 2016 the company refinanced one of its £50m committed credit facilities and extended this to £100m. The new facility is at the same interest rates and matures in 2017. In August 2016 the company extended on of its £25m facilities until 2019 at the same rate.

19 Provisions for liabilities

a) Deferred tax

	Deferred tax £'000	
At 1 January 2015	74,500	
Debited to other comprehensive income (note 23)	4,732	
Credited to the Statement of Profit and Loss (note 8)	(24,732)	
At 31 December 2015	54,500	
Current		
At 31 December 2015	-	
At 31 December 2014	-	
Non-Current		
At 31 December 2015	54,500	
At 31 December 2014	74,500	
Tax effect of timing differences because of:		
	2015 £'000	2014 £'000
Differences between accumulated depreciation and capital allowances	78,142	105,557
Other timing differences	(23,642)	(31,057)
Provision	54,500	74,500

At 31 December 2015 there was no recognised deferred tax liability (2014: £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.

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

19 Provisions for liabilities (continued)

b) Other provisions

	Restoration & site remedial £'000	Other provisions £'000	Total £'000
At 1 January 2015			
Current	7,416	412	7,828
Non-current	41,327	4,992	46,319
	<u>48,743</u>	<u>5,404</u>	<u>54,147</u>
Arising during the year	11,274	6,286	17,560
Utilised in the year	(4,108)	(3,492)	(7,600)
Reversal of unused amounts	(5,576)	(1,427)	(7,003)
Disposal	(219)	-	(219)
Movement in discount rate	1,156	-	1,156
At 31 December 2015	<u>51,270</u>	<u>6,771</u>	<u>58,041</u>
Analysed as:			
Current	12,134	3,218	15,352
Non-Current	39,136	3,553	42,689
	<u>51,270</u>	<u>6,771</u>	<u>58,041</u>

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.

20 Called up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
100,300 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

21 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 share reserve

As noted in more detail in note 26, this reserve relates to the cumulative charges for compensation to management paid in shares of the ultimate parent company, LafargeHolcim Ltd.

22 Dividends

A dividend of £582.78 (2014: £193.24) per ordinary share, totalling £58,452,529 (2014: £19,382,000) was paid in the year.

During 2016, an interim dividend of £110.7 per ordinary share, totalling £10,100,000 was declared.

23 Pension schemes

The Company operate two Defined Benefit Plans, the Foster Yeoman Pension Plan (FYPP) and 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 £4,295,000 (2014: £3,940,000). 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 existing "buy-in" policy with Pension Insurance Corporation (PIC), were transferred fully from the policy in the Trustees' name to individual policies in the members' names and were therefore "bought out".

During 2015, the Plan used all of the monies held in the Trustees bank account at the start of the year to meet the expenses involved in winding up. As at 31 December 2015 the Defined Benefit (DB) liabilities are nil having been bought out by the trustees and the FYPP no longer holds any assets.

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 2015 and updated to 31 December 2015 by a qualified independent actuary.

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

	2015 (%p.a.)	2014 (%p.a.)	
Future salary increases	3.00%	2.90%	
General Annual Salary Increase (GASI)	3.00%	2.90%	
Future LPI pension increases	3.00%	2.90%	
Discount rate	3.80%	3.50%	
Inflation assumption	3.00%	2.90%	
Revaluation in deferment	2.00%	1.90%	
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	21.9	22.0
	Females	24.3	24.2
Retiring in 20 years time	Males	23.1	23.4
	Females	25.8	25.7

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:

	Fair value at 31 Dec 2015 £'000	Fair value at Dec 2014 £'000
Equities and Property	230,674	221,691
Fixed Interest	64,163	60,287
Insured Annuities	177,547	191,976
Cash and Other	1,249	572
Total fair value	473,633	474,526

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 sensitivities 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	(78,278)
	1% decrease	100,411
Rate of salary increases	1% increase	13,126
	1% decrease	(11,587)
Post retirement mortality	Increase by 1 year	21,534
	Decrease by 1 year	(21,203)

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

23 Pension schemes (continued)

The amounts recognised in the Balance Sheet are as follows:

	2015 £'000	2014 £'000
Fair value of Plan assets	473,633	474,526
Present value of funded obligations	(552,335)	(576,909)
Plan deficit of funded obligations	(78,702)	(102,383)

Reflected in the Balance Sheet

	2015 £'000	2014 £'000
Defined benefit deficit	(78,702)	(102,383)
Deferred tax asset	14,166	20,477
Net liability	(64,536)	(81,906)

The amounts recognised in the Statement of Profit and Loss

	2015 £'000	2014 £'000
Expected return on plan assets	(16,349)	(20,242)
Current service cost	5,936	6,395
Contribution by the employees	(169)	(176)
Interest costs	19,904	23,481
Others	1,029	-
Total (included in administrative expenses)	10,351	9,458

Amounts recognised in Other Comprehensive Income

Actuarial (gains)/losses	(26,290)	29,105
Deferred tax	4,732	(5,821)
Total recognised in Other Comprehensive Income	(21,558)	23,284

Actual return on Plan assets	13,905	40,412
-------------------------------------	---------------	---------------

Cumulative actuarial losses recognised in Other Comprehensive Income	(120,586)	(146,876)
---	------------------	------------------

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

	£'000
Defined benefit obligation as at 31 December 2013	517,837
Current service costs	6,395
Interest cost	23,481
Actuarial losses	49,275
Benefits paid	(20,079)
Defined benefit obligation as at 31 December 2014	576,909
Current service cost	5,936
Interest cost	19,904
Actuarial gains	(29,043)
Benefits paid	(21,371)
Defined benefit obligation as at 31 December 2015	552,335

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

	£'000
Fair value of plan assets as at 31 December 2013	445,991
Expected return on plan assets	20,242
Actuarial gains	20,170
Contributions by employer	8,026
Contributions by employees	176
Benefits paid	(20,079)
Fair value of plan assets as at 31 December 2014	474,526
Expected return on plan assets	16,349
Actuarial losses	(2,444)
Contributions by employer	7,742
Contributions by employees	169
Benefits paid	(21,371)
Other - administration expenses	(1,338)
Fair value of plan assets as at 31 December 2015	473,633

The Company expects to contribute approximately £11,800,000 to its defined benefit pension plan in 2016.

Aggregate Industries UK Limited
Notes to the financial statements
for the year ended 31 December 2015 (continued)

24 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.

25 Leasing commitments

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

	Land & buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Future minimum rentals payable under operating leases:				
Within one year	11,462	10,582	5,380	2,402
Between two and five years	39,274	36,874	6,747	2,579
After five years	91,585	94,237	-	-
	142,321	141,693	12,127	4,981

26 Share-based payment plans

Part of the variable performance related compensation for management is paid in shares of the ultimate parent company, LafargeHolcim 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 cash settled share plans amounted to £nil (2014: £0.7m). The other share reserve in the Statement of Changes in Equity reflects amounts not yet vested in relation to equity settled schemes.

27 Parent and ultimate parent company

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

Copies of the accounts of LafargeHolcim Ltd, the ultimate parent entity at the balance sheet date, are available on www.lafargeholcim.com or from LafargeHolcim Ltd Corporate Communications, Zurcherstrasse 156, CH-8645 Jona, Switzerland.

28 Related party disclosures

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

	Sales £'000	Purchases £'000
2015		
Joint ventures and associates	9,495	32,309
2014		
Joint ventures and associates	11,232	32,521
Amounts owed by related parties	2015 £'000	2014 £'000
Amounts owed by joint ventures and associates	4,936	19,387
	4,936	19,387
Amounts owed to related parties	2015 £'000	2014 £'000
Amounts owed to joint ventures and associates	2,365	2,147
	2,365	2,147

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.

29 Post balance sheet events

In March 2016 the company refinanced one of its £50m committed credit facilities and extended this to £100m. The new facility is at the same interest rates and matures in 2017. In August 2016 the company extended one of its £25m facilities until 2019 at the same rate.