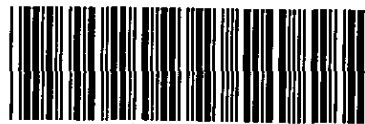


Registered number
05311321

Holcim Participations (UK) Limited

**Annual report and Financial statements
for the year ended 31 December 2012**

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Holcim Participations (UK) Limited
Annual report and financial statements
for the year ended 31 December 2012

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Holcim Participations (UK) Limited
Directors and advisors

Directors

Thomas Aebischer
Simon Crossley
Andreas Kranz
James Atherton-Ham

Independent Auditors

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

Registered office

Bardon Hall
Copt Oak Road
Markfield
Leicestershire
LE67 9PJ

Registered number

05311321

Holcim Participations (UK) Limited
Directors' report
for the year ended 31 December 2012

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012

Principal activities and future developments

Holcim Participations (UK) Limited is an investment company. It is the directors' intention that it will continue to be so for the foreseeable future.

Going concern

The directors have considered the maturity date of the Eurobonds and the ability to pay the interest on both the Eurobonds and intercompany balances, based on forecast intercompany balance settlements and forecast dividends.

As a result, the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the annual report and financial statements.

Results and dividends

The Company's profit after taxation for the year was £256.8m (2011 profit £5.3m). No dividend was declared for the year (2011 nil). During the year, the company repaid the £284m owed to fellow group companies that was due for repayment in 2013, via £256m of dividends and £28m borrowed from its subsidiary.

The Statement of Comprehensive Income and Statement of Financial Position appear on pages 6 and 7.

Key financial and other performance indicators

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

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are Financial Instrument Risks.

Financial Instrument Risks

The Company faces market, liquidity and cash flow risks.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk via revolving credit facilities and long term debt.

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.

Treasury policy

Financial risk management

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

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

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

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

Holcim Participations (UK) Limited
Directors' report
for the year ended 31 December 2012 (continued)

Directors

The following directors held office during the year and subsequently

Thomas Aebischer

Simon Crossley

Andreas Kranz

James Atherton-Ham

Information on the directors' remuneration is shown in note 5

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.

Holcim Participations (UK) Limited
Directors' report
for the year ended 31 December 2012 (continued)

Statement of directors' responsibilities in relation to the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom law and International Financial Reporting Standards as adopted by the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report was approved by order of the board.



Simon Crossley

On behalf of Holcim Participations (UK) Limited
Director
22 March 2013

**Independent auditors' report
to the members of Holcim Participations (UK) Limited**

We have audited the financial statements of Holcim Participations (UK) Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 4, 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 Annual report and financial statements to identify material inconsistencies with the audited financial statements. 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

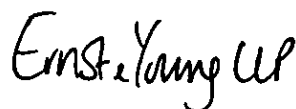
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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.



Christopher Voogd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
28 March 2013

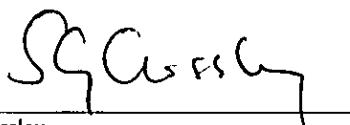
Holcim Participations (UK) Limited
Statement of Comprehensive Income
for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Continuing operations			
Administration costs		(13)	(8)
Operating loss	6	(13)	(8)
Investment income	7	304,513	45 409
Finance costs	8	(48,529)	(47 327)
Profit/(loss) before taxation		255,971	(1,926)
 Tax credit on profit/(loss)	9	 868	 7,243
Profit after taxation		256,839	5 317
Other comprehensive income		-	-
 Total comprehensive income		 256,839	 5,317

Holcim Participations (UK) Limited
Company Registration No 05311321
Statement of Financial Position
as at 31 December 2012

	Note	2012 £'000	2011 £'000
Assets			
Non-current assets			
Investments	10	1,890,663	1,890,663
		<u>1,890,663</u>	<u>1,890,663</u>
Current assets			
Taxation	11	16,598	15,730
Cash and short-term deposits	13	272	658
		<u>16,870</u>	<u>16,388</u>
Total assets		<u>1,907,533</u>	<u>1,907,051</u>
Equity and liabilities			
Equity			
Issued capital	14	690,000	690,000
Retained earnings		<u>175,324</u>	<u>(81,515)</u>
Equity attributable to equity holders		<u>865,324</u>	<u>608,485</u>
Non-current liabilities			
Interest bearing loans and borrowings	11	1,042,161	1,078,523
		<u>1,042,161</u>	<u>1,078,523</u>
Current liabilities			
Other payables	12	48	43
Interest bearing loans and borrowings	11	-	220,000
		<u>48</u>	<u>220,043</u>
Total liabilities		<u>1,042,209</u>	<u>1,298,566</u>
Total equity and liabilities		<u>1,907,533</u>	<u>1,907,051</u>

The financial statements were approved by the board of directors on 22 March 2013 and were signed on its behalf by



Simon Crossley
Director

Holcim Participations (UK) Limited
Statement of Changes in Equity
for the year ended 31 December 2012

	Attributable to the equity shareholders		
	Issued share capital	Retained earnings	Total
	£'000	£'000	£'000
As at 1 January 2011	690,000	(86,832)	603,168
Total comprehensive income	-	5,317	5,317
As at 31 December 2011	690,000	(81,515)	608,485
Total comprehensive income	-	256,839	256,839
As at 31 December 2012	690,000	175,324	865,324

Holcim Participations (UK) Limited
Statement of Cash Flows
for the year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Operating activities			
Profit/(loss) before tax		255,971	(1,926)
<i>Adjustments to reconcile profit/(loss) before tax to net cash flows from operations</i>			
Finance costs		48,529	47,327
Investment income		(304,513)	(45,409)
<i>Working capital adjustments</i>			
Increase/(decrease) in other payables		5	(64)
Interest paid - third parties		(43,479)	(42,834)
Interest paid - related parties		(5,050)	(4,493)
Income tax received		-	1,877
Net cash flows from operating activities		(48,537)	(45,522)
Investing activities			
Investment income		48,151	45,409
Net cash flows from investing activities		48,151	45,409
Financing activities			
Repayment of borrowings to related parties		-	-
New borrowings from related parties		-	-
Net cash outflows from financing activities		-	-
Net decrease in cash and cash equivalents		(386)	(113)
Cash and cash equivalents at 1 January		658	771
Cash and cash equivalents at 31 December	13	272	658

Holcim Participations (UK) Limited
Notes to the Financial Statements
for the year ended 31 December 2012

1 Corporate information

The financial statements of the Company for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 22 March 2013. The company is a private limited company incorporated and domiciled in England & Wales.

2.1 Basis of preparation

The financial statements have been prepared using the historical cost convention except for financial instruments that have been measured at amortised cost in accordance with International Financial Reporting Standards as adopted by the EU for the year ended 31 December 2012 applied in accordance with the provisions of the Companies Act 2006.

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.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union for the year ended 31 December 2012.

Going Concern

The directors have considered the maturity date of the Eurobonds and the ability to pay the interest on both the Eurobonds and intercompany balances, based on forecast intercompany balance settlements and forecast dividends.

As a result, the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the annual report and financial statements.

2.2 Summary of significant accounting policies

a The Company's investments in subsidiaries

In the financial statements, the Company recognises its investments in subsidiaries at cost less accumulated impairment losses. The Company reviews the carrying value of the investments for impairment where conditions exist that would indicate an impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Dividend income from investments is recognised in the income statement when the shareholders' rights to receive payment have been established.

b Finance income

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

c Current taxation

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

d Financial instruments - initial recognition and subsequent measurement

i Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company classifies its financial assets at initial recognition.

All financial assets are recognised initially at fair value.

The Company's financial assets include cash and short-term deposits and other receivables.

Holcim Participations (UK) Limited
Notes to the Financial Statements
for the year ended 31 December 2012

2.2 Summary of significant accounting policies (continued)

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

i Financial assets (continued)

Subsequent measurement

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

Loans and receivables

Loans and receivables 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 finance income in the Statement of Comprehensive Income. The losses arising from impairment are recognised in the Statement of Comprehensive Income in finance costs.

Derecognition

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

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

ii Impairment of financial assets

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

iii 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, plus directly attributable costs.

The Company's financial liabilities include other creditors and accruals, loans and borrowings and financial guarantee contracts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains and losses on liabilities held for trading are recognised in the Statement of Comprehensive Income.

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

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income 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 finance costs in the Statement of Comprehensive Income.

The directors consider the difference between the fair value and book value of loans and borrowings to be immaterial. Details are disclosed in note 11.

Holcim Participations (UK) Limited
Notes to the Financial Statements
for the year ended 31 December 2012

2.2 Summary of significant accounting policies (continued)

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

iii Financial liabilities (continued)

Derecognition

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

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

iv Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

v Fair value of financial instruments

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 11

e Cash and short-term deposits

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3 Significant judgements, key assumptions and estimates

Estimates and assumptions

The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with IFRS, requires the use of estimates, subjective judgements and assumptions that may affect the amount of assets and liabilities at the balance sheet date and reported profit and earnings for the year. The Directors base these estimates, judgements and assumptions on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstances. The key significant judgements and estimates relate to the review of the carrying value of the investment balance, the note above details the accounting policy applied in the financial statements. The key assumptions in the review are shown below in note 10.

Fair value of financial instruments

The directors consider the difference between the fair value and book value of financial instruments to be immaterial. Details are disclosed in note 11.

4 Standards issued but not yet effective

The IASB and IFRIC issued additional standards and interpretations which are effective for periods starting after the date of these financial statements. These are as follows:

	Effective date
- IAS 1 - <i>Presentation of Items in Other Comprehensive Income</i>	2013
- IAS 8 - <i>Amendment - Effective dates and transition methods</i>	2013
- IAS 19 - <i>Employment Benefits</i>	2013
- IAS 27 - (Amended) - <i>Separate Financial Statements</i>	2013
- IAS 28 - (Amended) - <i>Investments in Associates and Joint Ventures</i>	2013
- IAS 32 and IFRS 7 (Amendments) - <i>Offsetting Financial Assets and Financial Liabilities</i>	2013
- IFRIC 20 - <i>Stripping Costs in the Production Phase of a Surface Mine</i>	2013
- IFRS 1 - (Amendment) - <i>Government Loans</i>	2013
- IFRS 9 - <i>Financial Instruments (replacement of IAS 39)</i>	2015
- IFRS 10 - <i>Consolidated Financial Statements</i>	2013
- IFRS 11 - <i>Joint Arrangements</i>	2013
- IFRS 12 - <i>Disclosure of Interests in Other Entities</i>	2013
- IFRS 13 - <i>Fair Value Measurement</i>	2013
- IFRS 10, IFRS 12 and IAS 27 Amendments - <i>Investment entities</i>	2015

The Company has decided not to early adopt these standards and interpretations.

The Directors do not consider it likely that the standards will have a material impact on the financial performance in future years.

Holcim Participations (UK) Limited
Notes to the Financial Statements
for the year ended 31 December 2012

5 Directors and employees

The directors' services to the Company do not occupy a significant amount of their time. As such the directors have not received any remuneration for their incidental services to the company for the years ended 31 December 2011 and 31 December 2012. No staff were employed by the company during the year.

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

6 Operating loss	2012	2011
	£'000	£'000
Auditors' remuneration - audit	7	4
Other operating income	(2)	-
Other professional fees	8	3

7 Investment income	2012	2011
	£'000	£'000
Dividend received from subsidiary	304,513	45,409
Total investment income	304,513	45,409

8 Finance costs	2012	2011
	£'000	£'000
Interest on debts and borrowings to related parties	5,050	4,493
Interest on debts and borrowings to third parties	43,479	42,834
Total finance costs	48,529	47,327

9 Taxation	2012	2011
	£'000	£'000
UK corporation tax	(868)	(7,243)
Total current tax credit	(868)	(7,243)

The standard rate of UK corporation tax for the year is 24.5% (2011: 26.5%). The actual tax credit calculated for both the current and prior year is lower than the standard rate for the reasons set out below:

	2012	2011
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	255,971	(1,926)
Tax on profit on ordinary activities at UK standard rate	62,713	(510)
Income not included for tax purposes	(74,606)	(12,033)
Expenses not allowable for tax purposes	11,025	5,300
	(868)	(7,243)

The standard rate of UK Corporation tax was 26% at the start of the year. On 21 March 2012 the UK Chancellor announced a reduction in the tax rate to 24% effective from 1 April 2012 and further reductions of 1% each year to a final rate of 22% in 2014. 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.

At the balance sheet date a rate of 23% was substantively enacted, to come into effect from 1 April 2013.

Holeim Participations (UK) Limited
Notes to the Financial Statements
for the year ended 31 December 2012

10 Fixed assets investments

	Unlisted subsidiaries £'000
Cost and net book value	
At 1 January and 31 December 2012	1,890,663
At 1 January and 31 December 2011	1,890,663

The subsidiary undertaking is Aggregate Industries Holdings Limited which was acquired on 21 March 2005 when the public offer for the listed company's shares was declared unconditional

The Principal subsidiaries and joint ventures of Aggregate Industries Holdings Limited at the year end and their activities are set out below

Name of company	Country of Incorporation	Shareholding	Nature of business
Aggregate Industries UK Limited	Great Britain	100%	Quarrying asphalt, sand and gravel, surfacing contractors and ready-mixed concrete
London Concrete Limited	Great Britain	100%	Ready-mixed concrete
Ronez Limited	Channel Islands	100%	Quarrying, asphalt sand and gravel, ready-mixed concrete surfacing contractors and manufacture of concrete products
Halsvik Aggregates AS	Norway	89%	Quarrying

The directors confirm that, in their opinion the value of the investment in its subsidiary is not less than the amount at which it is included in the company's balance sheet and hence there is no impairment recognised. This assessment is based on a recoverable amount calculation of the UK group. The recoverable amount has been determined based on a value in use calculation using cashflow projections from financial budgets approved by senior management covering a five year period. The discount rate applied to the pre-tax cash flow projections is the UK group's pre-tax cost of capital of 7.74% and cash flows beyond the five year period are extrapolated using a 2.5% growth rate which approximates to long term UK economic growth. Other key assumptions in the forecasts are selling price 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 investment to exceed recoverable amount.

11 Other financial assets and financial liabilities

Other financial liabilities	Effective interest rate %	Maturity	2012 £'000	2011 £'000
Current				
Loan capital - quoted debt securities				
£220m Class A1 Fixed rate Unsecured Note***	6.6%	2012	-	220,000
			-	220,000
Non-current				
Loan from group company	Libor** +0.5%	2013	-	284,523
Loan from group company	Libor* +1%	2014	28,161	-
Loan capital - quoted debt securities				
£220m Class A1 Fixed rate Unsecured Note***	4.4%	2017	220,000	-
£200m Class A2 Fixed rate Unsecured Note	8.55%	2015	200,000	200,000
£594m Class A3 Floating rate Unsecured Note	Libor* +1%	2016	594,000	594,000
			1,042,161	1,078,523
Total other financial liabilities			1,042,161	1,298,523

Libor* 3 months sterling

Libor** 6 months sterling

*** during the year the £220m tranche of Eurobond debt was refinanced with a maturity of 31 December 2017

Loan capital - quoted debt securities

Loan capital - these are issued quoted Eurobonds listed on the Channel Island Stock Exchange. The amortised cost of the quoted debt security is measured using the effective interest rate method allocating the interest expense over the relevant period the instrument is held.

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11 Other financial assets and financial liabilities (continued)

The book values and estimated fair values of the Company's financial assets and liabilities as at 31 December 2011 and 2012 are set out below

	Book value		Fair value	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<i>Financial assets</i>				
Tax debtor	16,598	15,730	16,598	15,730
Cash and cash equivalents	272	658	272	658
Total	16,870	16,388	16,870	16,388

	Book value		Fair value	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<i>Financial liabilities</i>				
Loan from group companies	28,161	284,523	28,161	284,523
Loan capital	1,014,000	1,014,000	1,081,719	1,081,719
Total	1,042,161	1,298,523	1,109,880	1,366,242

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following methods and assumptions were used to estimate the fair values

- Cash and short-term deposits approximate their carrying amounts largely due to the short-term maturities of these instruments
- Long-term fixed-rate and variable rate borrowings are evaluated by the Company based on parameters such as interest rates and specific country factors
- Fair value of quoted notes and bonds is based on pricing quotations at the reporting date

Fair value hierarchy

As at 31 December 2012 the Company did not record financial instruments measured at fair value

12 Other payables	2012	2011
	£'000	£'000
Other accruals	48	43
	48	43

13 Cash at bank and on hand	2012	2011
	£'000	£'000
Cash at bank and on hand	272	658
	272	658

Cash at bank earns interest at floating rates based on daily bank deposit rates

For the purpose of the Statement of Cash Flows cash and cash equivalents comprise the following at 31 December

	2012	2011
	£'000	£'000
Cash at bank and on hand	272	658
	272	658

14 Share capital

	Number of shares (millions)	£'000
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each		
At 31 December 2012 and 2011	690	690,000

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15 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 690m ordinary shares of £1 each

16 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

	Income received from related parties £'000	Interest paid to related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
2012				
Holcim Brasil	1	-	-	-
Holcim Overseas Finance	1	-	-	-
Holcim GB Finance Limited	-	43,479	-	1,014,000
Aggregate Industries Holdings Limited	-	-	-	28,161
Evered Limited	-	1,899	-	-
International Aggregates Limited	-	827	-	-
London and Northern Group Limited	-	2,324	-	-
2011				
Holcim GB Finance Limited	-	42,834	-	1,014,000
Evered Limited	-	1,689	-	106,905
International Aggregates Limited	-	740	-	46,660
London and Northern Group Limited	-	2,064	-	130,958

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17 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings and quoted financial instruments. The main purpose of these financial liabilities is to raise finances for the Company and its subsidiaries operations.

The Company is exposed to market risk and liquidity risk.

The Company's risks are managed by Holcim Ltd, the ultimate parent company in Switzerland, who review and agree policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analysis has been determined based on the interest rate exposure as at 31 December. A 1% change is used when the interest rate risk is reported internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

At 31 December, a +1% shift in interest rates, with all other variables held constant, would result in approximately £13 million of lower net profit before tax (2011: £13 million). This is mainly attributable to exposure to interest rates on its financial assets and liabilities at variable rates.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including interest.

	2012 £'000	2011 £'000
Within 1 year	36,227	268,646
Within 2 years	64,388	318,649
Within 3 years	235,760	29,574
Within 4 years	612,660	229,574
Within 5 years	228,800	606,474
Thereafter	-	-
	1,177,835	1,452,917

Capital management

The Company's objectives when managing capital are to secure the Company's ongoing financial needs to continue as a going concern as well as to cater for its growth targets in order to provide returns to the shareholder and to maintain a cost efficient capital structure whilst meeting its borrowing covenants.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt. Capital relates to equity plus borrowings as shown on the Statement of Financial Position.

18 Parent and ultimate parent company

The Company's immediate parent company is Holcim UK Holdings Limited, which is incorporated in Great Britain.

The ultimate parent company 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.