

**COMPANY NUMBER: 946129**

**RESERVOIR AGGREGATES LIMITED**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**RESERVOIR AGGREGATES LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

The directors present their report and the financial statements for the year ended 31 December 2011

### **Principal Shareholders**

The company's share capital is owned as set out in the table below. The Company has been treated as a subsidiary of CEMEX Investments Limited as that company exercises management control of the company.

CEMEX UK Operations Limited	48.88%
CEMEX Investments Limited	7.33%
Brett Aggregates Limited	24.56%
Henry Streeter (Sand & Ballast) Limited	11.90%
SITA South East Limited	4.36%
London Ballast Co Ltd	2.50%
Hanson Quarry Products Europe Limited	0.47%

### **Principal activity, business review and future developments**

On 26<sup>th</sup> February 2010 the directors took the decision to cease trading following a substantial decline in the company's market, resulting in the operations becoming unviable. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

The directors consider the company's financial position at the end of the year to have been satisfactory.

### **Results and dividends**

The company's profit for the year attributable to shareholders is £23,385 (2010: £26,617 loss). The directors do not recommend the payment of a dividend (2010: £Nil) to the shareholders on the register at the close of business on 31 December 2011.

### **Directors**

The directors who served during and since the end of the year are as shown below:

J C Anderson	
R J Cruse	
A F Davies	
J Lopez	
G J Mutch	
G Rees	
N D Barker	(alternate director)
P W J Tallon	(alternate director)
A R Wilson	(alternate director)
R J Doody	(alternate director)

**RESERVOIR AGGREGATES LIMITED  
DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Going concern**

On the 26<sup>th</sup> February 2010 the directors agreed to terminate operations and therefore the accounts have not been prepared on a going concern basis

On behalf of the board



M L Collins  
Secretary

25 September 2012

CEMEX House  
Coldharbour Lane  
Thorpe, Egham  
Surrey TW20 8TD

**RESERVOIR AGGREGATES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF**  
**THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RESERVOIR AGGREGATES LIMITED

We have audited the financial statements of Reservoir Aggregates Limited for the year ended 31 December 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note.

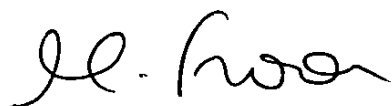
### Opinion on other matter prescribed by the Companies Act 2006

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.



**M. Froom (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
 Chartered Accountants  
 One Snowhill  
 Snow Hill Queensway  
 Birmingham  
 B4 6GH

27 SEPTEMBER 2012

**RESERVOIR AGGREGATES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 £	2010 £
Other operating income	3	<u>23,595</u>	<u>11,736</u>
<b>Operating profit</b>		23,595	11,736
Provisions for loss on operations to be discontinued		-	(62,432)
Interest (payable)/receivable and similar income	4	<u>(210)</u>	<u>3,092</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	5	23,385	(47,604)
Tax on profit /(loss) on ordinary activities	7	<u>-</u>	<u>20,987</u>
<b>Profit /(loss) for the financial year</b>	11	<u>23,385</u>	<u>(26,617)</u>

All activities arise from discontinued operations

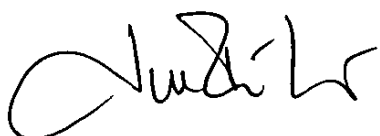
In 2011 and 2010 the company had no recognised gains or losses other than the loss for the financial year, and consequently no separate statement of total recognised gains and losses has been presented

The notes on pages 8 to 13 form part of these financial statements

**RESERVOIR AGGREGATES LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 2011**

	Note	£	2011 £	£	2010 £
<b>Current assets</b>					
Debtors	8	-		54,947	
Cash at bank and in hand		<u>8,058</u>		<u>-</u>	
		<u>8,058</u>		<u>54,947</u>	
<b>Creditors amounts falling due within one year</b>					
Creditors	9	<u>(41,188)</u>		<u>(111,462)</u>	
<b>Net current (liabilities)</b>			<u>(33,130)</u>		<u>(56,515)</u>
<b>Total assets less current liabilities</b>			<u>(33,130)</u>		<u>(56,515)</u>
<b>Net liabilities</b>			<u>(33,130)</u>		<u>(56,515)</u>
<b>Capital and reserves</b>					
Called up equity share capital	10		1,000		1,000
Profit and loss account			<u>(34,130)</u>		<u>(57,515)</u>
Equity shareholders' funds	11		<u>(33,130)</u>		<u>(56,515)</u>

The financial statements were approved by the Board of Directors on 25 September 2012  
and signed on its behalf by



Director J LOPEZ

COMPANY NUMBER 946129

The notes on pages 8 to 13 form part of these financial statements

**RESERVOIR AGGREGATES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
Net cash inflow / (outflow) from operating activities	107,916	(626,379)
Provisions for loss on operations to be discontinued	-	(62,432)
Profit on sale of fixed assets	-	(4,150)
Returns on investments and servicing of finance (Note A)	(210)	3,092
Taxation	-	(173,381)
Capital expenditure (Note A)	-	62,000
	<u>107,706</u>	<u>(801,250)</u>
Increase / (decrease) in cash		
<b>Reconciliation of net cashflow to movement in net funds</b>		
Increase / (decrease) in cash in the year and change in net funds	107,706	(801,250)
Net funds at 1 January	(99,648)	701,602
	<u>8,058</u>	<u>(99,648)</u>
Net funds at 31 December (Note B)		
<b>Reconciliation of operating profit to net cash inflow from operating Activities</b>		
Operating profit	23,595	11,736
Depreciation	-	5,749
Decrease in stocks	-	105,377
Decrease in debtors	54,947	223,731
Increase / (decrease) in creditors	29,374	(320,027)
Decrease in provisions	-	(652,945)
	<u>107,916</u>	<u>(626,379)</u>
<b>Net cash inflow from operating activities</b>		
<b>Note A. Gross cashflows</b>		
<b>Returns on investments and servicing of finance</b>		
Interest (paid)/ received	(210)	3,092
	<u>-</u>	<u>62,000</u>
<b>Capital expenditure</b>		
Receipts from sale of tangible fixed assets	-	62,000

**Note B. Analysis of changes in net funds**

	At 1 Jan 2011 £	Cash flow £	At 31 Dec 2011 £
Cash at bank and in hand	<u>(99,648)</u>	<u>107,706</u>	<u>8,058</u>

The notes on pages 8 to 13 form part of these financial statements



**RESERVOIR AGGREGATES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. Principal accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**Basis of preparation**

On 26<sup>th</sup> February 2010 the directors took the decision to cease trading following a substantial decline in the company's trading resulting in the operations becoming unviable. The directors ultimately intend to liquidate the company, so they have not prepared the financial statements on a going concern basis. Consequently, the carrying value of assets has been assessed to reflect their value on a break-up value basis and creditors have been identified for the costs of closure. Fixed assets have been reclassified as current assets.

**Pensions**

The company participates in group funded defined benefit schemes, operated by CEMEX Investments Limited. Details of these schemes are disclosed in the accounts of CEMEX UK Operations Limited. The contributions paid by the Company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. These funds are valued at least triennially and the funding payments are assessed in accordance with the advice of an independent professionally qualified actuary. The annual cost of these pension arrangements is charged in arriving at the operating profit for the year. Adjustment is made by CEMEX UK Operations Limited on a group basis so as to provide pension costs over the period of service of members of the schemes.

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**RESERVOIR AGGREGATES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**2. Turnover**

The turnover for 2011 is Nil

**3 Other operating income**

	2011	2010
	£	£
Rates, insurance and utility refunds	23,595	-
Profit from sale of assets	-	4,150
Profit on sale of spares stock	-	7,586
	<u>23,595</u>	<u>11,736</u>

**4. Interest receivable / (payable) and similar income**

	2011	2010
	£	£
Other interest (payable)/receivable	<u>(210)</u>	<u>3,092</u>
	<u>(210)</u>	<u>3,092</u>

**5 Profit/(loss) on ordinary activities before taxation**

	2011	2010
	£	£
The profit/(loss) on ordinary activities before taxation is stated after charging		
Depreciation of owned tangible fixed assets	-	5,749
Operating lease rentals - plant and machinery	-	12,904
Auditors' remuneration – for the audit of these financial statements	1,000	7,560
Employee costs (see note 6)	<u>(3,487)</u>	<u>284,283</u>

**6. Employees and directors**

	2011	2010
	£	£
<b>Staff costs</b>		
Wages and salaries	(3,487)	129,592
Social security costs	-	15,923
Other pension costs (note 12)	-	11,289
Redundancy Cost	<u>-</u>	<u>127,479</u>
	<u>(3,487)</u>	<u>284,283</u>

The wages and salaries credit of £3,487 arising in 2011 is the reversal of an employee bonus provision which was made in 2010

	2011	2010
	No	No.
Average number of persons employed by the company during the year	<u>-</u>	<u>9</u>

**Directors' emoluments**

No emoluments were provided in 2011 or 2010 for any directors

**RESERVOIR AGGREGATES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**7. Taxation**

	2011 £	2010 £
<b>Tax on profit/(loss) on ordinary activities</b>		
Current taxation		
United Kingdom Corporation tax at the rate of 26.5% (2010: 28%) on the profit on ordinary activities for the year	-	-
Under /(over) provisions in prior years	-	(20,987)
Current tax charge/ (credit)	-	(20,987)
Deferred taxation		
Deferred taxation on timing difference	-	-
Tax on profit/ (loss) on ordinary activities	-	(20,987)
<b>Reconciliation of current tax charge / (credit)</b>		
The current tax charge for the period is more (2010: more) than the standard rate of 28%. The reasons for the difference are explained below		
Profit/(loss) on ordinary activities before tax	23,385	(47,604)
Corporation tax at 26.5% (2010: 28%)	(6,197)	(13,329)
Adjustment for effects of		
Tax losses brought forward	6,360	-
Current year losses not recognised	-	101,427
Non-taxable income	-	(1,162)
Tax losses surrendered for no payment	(56)	-
Disallowed expenditure	(107)	-
Capital allowances in excess of depreciation for the period	-	(817)
Prior year adjustments	-	(20,987)
Non taxable provisions movement	-	(86,119)
Current tax charge / (credit)	-	(20,987)
<b>Corporation tax payable</b>		
United Kingdom Corporation tax falling due within one year	-	-

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset/liability accordingly.

**RESERVOIR AGGREGATES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**8. Debtors**

	2011 £	2010 £
<b>Amounts falling due within one year:</b>		
Other debtors	-	260
Other taxation and social security	-	54,687
	<u>-</u>	<u>54,947</u>

**9. Creditors**

	2011 £	2010 £
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	-	99,648
Trade creditors	-	3,703
Accruals and deferred income	1,188	8,111
Amounts owed to fellow subsidiary undertakings	22,484	-
Amounts owed to associate undertakings	17,516	-
	<u>41,188</u>	<u>111,462</u>

**10. Called up share capital**

	2011 £	2010 £
Share capital allotted, called up and fully paid 10,000 ordinary shares of 10p each	<u>1,000</u>	<u>1,000</u>

**11. Reconciliation of movement in equity shareholders' funds**

	2011 £	2010 £
Profit/(Loss) for the year attributable to shareholders	23,385	(26,617)
Equity shareholders' (deficit) / funds at 1 January	<u>(56,515)</u>	<u>(29,898)</u>
Equity shareholders' (deficit) / funds at 31 December	<u>(33,130)</u>	<u>(56,515)</u>

**RESERVOIR AGGREGATES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**12. Pension commitments**

The company's eligible employees are members of a defined benefit pension scheme set up by CEMEX Investments Limited for its UK employees, which is disclosed in the accounts of CEMEX UK Operations Limited, and has assets held in a separately administered fund. In Reservoir Aggregates Limited the contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of contributions to the group scheme amounted to Nil (2010 £8,466), being 20.1% (2010 15.5%) of pensionable salary, and is based on the pension costs across the group as a whole. An actuarial valuation of the scheme was undertaken as at 31 March 2009 and an actuarial deficit of £266.2m was identified. Following this valuation, from 1 January 2011, contributions are payable at the rate of 20.1% of pensionable salaries.

The defined benefit scheme was closed to future accrual for all members with effect from 1 March 2012. All existing and new employees are eligible to join the defined contribution section of the scheme.

The deficit and the expenses of the defined benefit scheme are being met by annual payments amounting to £4.9m (2010 £3.8m).

The pension charge for the defined contribution scheme for the period represents contributions payable by the company to the scheme and amounted to Nil (2010 £4,965).

**13. Contingent liabilities**

The company is registered with H M Revenue & Customs as a member of the CEMEX Investments Limited group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

**RESERVOIR AGGREGATES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**14. Related parties**

The company is a joint venture in which shares are held by the following -

CEMEX Investments Limited  
CEMEX UK Operations Limited  
Brett Aggregates Limited  
Henry Streeter (Sand & Ballast) Limited  
SITA South East Limited  
London Ballast Co Limited  
Hanson Quarry Products Europe Limited

The company sells products to its joint venture parties and their associated companies. The table below provides a summary of the sales net of discounts and rebates, and net payable/receivable balances at the end of each period

	2011 £	2010 £
Net sales		
CEMEX Investments Limited	-	263,420
Brett Aggregates Limited	-	78,193
Henry Streeter (Sand & Ballast) Limited	-	44,700

CEMEX Investments Limited has charged Nil (2010 £25,840) fee for the provision of various administrative services

	2011 £	2010 £
Amounts owed by related parties as at 31 December		
CEMEX UK Operations Ltd	(19,552)	-
CEMEX Investments Ltd	(2,932)	-
Brett Hall Aggregates Ltd	(9,824)	-
Henry Streeter (Sand and Ballast Ltd)	(4,760)	-
Sita South East Ltd	(1,744)	-
London Ballast Company Ltd	(1,000)	-
Hanson Quarry Products Europe Ltd	(188)	-

**15. Ultimate parent company and parent undertaking of larger group of which the company is a member**

The Company's immediate parent undertaking and controlling party is CEMEX Investments Limited, which is incorporated in Great Britain

The largest group in which the results of the Company are consolidated is that headed by CEMEX, S A B de C V, the ultimate parent undertaking and controlling party, which is incorporated in Mexico. Its address is Av Ricardo Margain Zozaya 325, CP 66265, San Pedro Garza Garcia, N L Mexico

The smallest group in which the results of the Company are consolidated is that headed by CEMEX España S A, incorporated in Spain. Its address is Hernandez de Tejada 1, Madrid 28027, Spain

The consolidated financial statements of these groups are available to the public and can be obtained from the above addresses