Registered number
09896937

Rail Freight Services (RFS) Limited

Annual Report and financial statements
for the year ended 31 December 2017

Rail Freight Services (RFS) Limited

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Rail Freight Services (RFS) Limited
Directors and advisors

Directors
J Fisher
M Hill
G Pugh
M Willshee

Secretary
V Isaj

Independent Auditors
Deloitte LLP
Statutory auditor
Four Brindley Place
Birmingham
B1 2HZ
United Kingdom

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

Registered number
09896937

Rail Freight Services (RFS) Limited
Directors' report
for the year ended 31 December 2017

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

Business Review
The principal activity of Rail Freight Services (RFS) Limited ("the company") is the handling of aggregate by rail.

On 1 December 2015, Rail Freight Services No.2 Limited was incorporated and changed its name to Rail Freight Services (RFS) Limited on 12 April 2016. The company's share capital is held equally by Aggregate Indutries UK Limited and GRS Roadstone Group Limited.

Trading commenced on 1 February 2016, subsequent to the purchase of trade and assets from Aggregate Industries (UK) Limited.

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

J Fisher	
M Hill	
G Pugh	(appointed 23 October 2017)
M Pearce	(resigned 23 October 2017)
M Willshee	

Information on the directors' remuneration is shown in note 7.

Results and dividends
The result for the financial year after tax amounted to a profit of £377k (2016: £223k). No dividend was declared for the year (2016: £nil). The Statement of Profit & Loss and Other Comprehensive Income and Balance Sheet appear on pages 6 and 7.

No final dividend is proposed for the year ended 31 December 2017.

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
Given the nature of the company's activities, the company's directors are of the opinion that analysis of principal risks and uncertainties are not necessary for an understanding of the development, performance or position of the business.

Going concern
The directors have considered the cash flow forecast for the next 12 months and the ability of the company to meet its liabilities as they fall due. 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 financial statements.

Future developments
The company intends to continue to operate and grow as a handler of aggregate by rail.

Events since the balance sheet date
There have been no events since the balance sheet date that would require adjustment or disclosure.

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
Each of the persons who is a director at the date of approval of this report confirms that:
- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware: and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor appointment
Deloitte LLP has been appointed as a new statutory auditor of the Company in the Board of Directors' meeting held on 30 March 2017.

Rail Freight Services (RFS) Limited
Directors' report (continued)
for the year ended 31 December 2017

Preparation of directors' report
The directors' report has been prepared in accordance with the special provisions in section 415A of the Companies Act 2006 in regards to small companies. The directors have taken advantage of the small companies' exemption provided by section 414B of the Companies Act 2006 not to provide a strategic report.

The directors are responsible for preparing the annual 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 including FRS 101 "Reduced Disclosure Framework" (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 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 its 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.

This report was approved by order of the board.

G Pugh
Director
31st May 2018

Independent auditor's report
to the members of Rail Freight Services (RFS) Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Rail Freight Services (RFS) Limited (the 'company') which comprise:

- the profit and loss account and other comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report , other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report
to the members of Rail Freight Services (RFS) Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Report on other legal and regulatory requirements

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption in not preparing the Strategic Report.

We have nothing to report in respect of these matters

Susan J Barratt (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
31st May 2018

Rail Freight Services (RFS) Limited
Statement of Profit & Loss and Other Comprehensive Income
For the year ended 31 December 2017

	Note	Year ended December 2017 £'000	13 Months to December 2016 £'000
Continuing operations			
Turnover	3	**11,238**	9,803
Cost of sales		**(8,529)**	(7,771)
Gross profit		**2,709**	2,032
Administrative expenses		**(2,167)**	(1,746)
Operating profit		**542**	**286**
Finance costs	4	**(86)**	-
Profit before taxation	5	**456**	286
Tax on profit	8	**(79)**	(63)
Profit for the financial period		**377**	223
Other comprehensive income		-	-
Total comprehensive income		**377**	223

Rail Freight Services (RFS) Limited
Registered Number 09896937
Balance Sheet
As at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	9	**4,027**	707
		4,027	707
Current assets			
Debtors	10	**2,570**	2,561
Cash at bank and in hand		**360**	575
		2,930	3,136
Creditors: Amounts falling due within one year	11	**(2,380)**	(2,110)
Net current assets		**550**	1,026
Total assets less current liabilities		**4,577**	1,733
Creditors: amounts falling due after more than one year	12	**(2,617)**	(224)
Provisions for liabilities	14	**(97)**	(23)
Net assets		**1,863**	1,486
Capital and reserves			
Called-up share capital	15	**1,263**	1,263
Profit and loss account	15	**600**	223
Shareholder's funds		**1,863**	1,486

The financial statements of Rail Freight Services (RFS) Limited were approved by the board of directors and authorised for issue on 31st May 2018. They were signed on its behalf by:

G Pugh Director

Rail Freight Services (RFS) Limited
Statement of Changes in Equity
for the year ended 31 December 2017

	Attributable to the equity shareholders		
	Called-up share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 December 2015			
Issue of share capital	1,263	-	1,263
Profit for the financial period	-	223	223
Other comprehensive income for the financial period	-	-	-
Total comprehensive income	**-**	**223**	**223**
At 31 December 2016	**1,263**	**223**	**1,486**
Profit for the financial year	-	377	377
Other comprehensive income for the financial year	-	-	-
Total comprehensive income	**-**	**377**	**377**
At 31 December 2017	**1,263**	**600**	**1,863**

Rail Freight Services (RFS) Limited
Notes to the financial statements
for the year ended 31 December 2017

1 Corporate information

The financial statements of the Company for the year ended 31 December 2017 were authorised for issue with a resolution of the directors on 29th May 2018. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England & Wales. The principal activity of the Company is set out in Directors Report on page 2 and its registered address is shown on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company meets the definition of a qualifying entity under FRS 100. 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The company's Financial Statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

2.1 ***Basis of preparation***

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017. The Company's ultimate parent undertaking, 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 first time adoption of FRS 101.

These financial statements are separate financial statements. In accordance with section 401 of the Companies Act 2006, the company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the consolidated accounts of LafargeHolcim Ltd incorporated in Switzerland. The group accounts of LafargeHolcim Ltd are available to public and can be obtained as set out in note 11.

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 and investment;
(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;

(e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors; and

(f) the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements to present capital disclosures in respect of its objectives, policies and processes for managing capital.

Going concern

The directors have considered the cashflow forecast for the next 12 months and the ability of the company to meet its liabilities as they fall due. 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 financial statements.

2.2 Summary of significant accounting policies

The directors have considered amendments and new accounting standards issued by the International Accounting Standards Board (IASB) which were mandatorily effective for accounting period that begins on or after 1 January 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements and disclosures.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The Company has adopted the amendments to IAS 7 for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. Adoption of this standard do not have any impact on the financial statements and disclosures.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments clarify that unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences. Adoption of this standard do not have any impact on the financial statements.

Annual Improvement to IFRS 2014;16 Cycle (Dec 2016)

This has been applied for the first time this year and did not have a material impact on the financial statements and the disclosures.

Turnover

Turnover represents the recharge of rail services incurred, exclusive of VAT, to joint venture parties and third party customers and is recognised when the services are provided based on the transport of aggregate. All sales are made in the United Kingdom.

Tangible fixed assets

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

Furniture, vehicles and tooling	- 1 -8 years
Plant and equipment	- 1 -15 years
Buildings	- 2 -10 years

2.2 Summary of significant accounting policies - (continued)

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a consistent periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Rail Freight Services (RFS) Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

2.2 Summary of significant accounting policies - (continued)

Employee benefits
For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable for the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments at the balance sheet date.

Cash and short-term deposits
Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three

2.3 Significant judgements, key assumptions and estimates
Judgements
The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with FRS101, requires the use of estimates, subjective judgements and assumptions that may affect the amount of assets and liabilities at the end of the reporting period 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.

Estimates and assumptions
The directors have considered the financial statements and do not consider there to be any critical accounting judgements or key sources of estimation uncertainty other than assessing discount rates relating to accounting of finance lease liability.

3 Turnover
Turnover represents the income receivable for rail services supplied by the company and is generated wholly in the United Kingdom.

4 Finance Costs	2017 £'000	13 Months 2016 £'000
Finance leases and hire purchase contracts	(86)	-

5 Profit before taxation	2017 £'000	13 Months 2016 £'000
Profit before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets (see note 9)	512	156
(Gain) /loss on disposal of fixed assets (see note 9)	(294)	-
Fees payable to the company's auditor for the audit of the company's annual accounts	12	10

There are no non-audit fees payable to the company's auditor

6 Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2017 Number	13 Months 2016 Number
	71	37
Employees	71	37

Their aggregate remuneration comprised:	2017 £'000	13 Months 2016 £'000
Wages and salaries	1,619	1,386
Social security costs	162	138
Other pension costs	55	44
	1,836	1,568

7 Directors' remuneration

The directors of the company are remunerated by Aggregate Industries UK Limited and GRS Roadstone Group 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 and GRS Roadstone Group Limited.

Rail Freight Services (RFS) Limited
Notes to the financial statements (continued)
for the year ended 31 December 2017

8 Tax on Profit

The charge for taxation is as follows	2017 £'000	13 Months 2016 £'000
Based on profit for the year		
Corporation tax	-	30
Adjustment in respect of prior years	5	-
Total current tax	5	30
Deferred tax (see note 14)		
Origination and reversal of timing differences	78	33
Change in rate	-	-
Adjustment in respect of prior years	(4)	-
Total deferred tax	74	33
Tax on profit on ordinary activities	79	63

Factors affecting the current tax charge for the year:

The standard rate of UK corporation tax for the year is 19.25% (2016 20%):

The actual tax charge calculated for the current year differs from the standard rate of corporation tax for the reasons set out below.

	2017 £'000	13 months 2016 £'000
Profit before taxation	456	286
Tax on profit at the standard rate	88	57
Non-deductable items	1	6
Fixed asset timing differences	-	-
Deferred tax and Corporation tax rate differential effect	(11)	-
Adjustment in respect of prior years	1	-
Total tax (refer note 14)	79	63

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the company's profits for this accounting period are taxed at an effectve rate of 19.25% . The standard rate will fall further to 17% with effect from 1 April 2020.

9 Tangible fixed assets

	Buildings £000	Plant and equipment furniture vehicles and tooling £000	Total £000
Cost or valuation			
At 1 January 2017	9	854	**863**
Additions	-	3,832	**3,832**
Transfers	193	(193)	-
At 31 December 2017	**202**	**4,493**	**4,695**
Depreciation			
At 1 January 2017	4	152	**156**
Charge for the year	5	507	**512**
Transfers	193	(193)	-
At 31 December 2017	**202**	**466**	**668**
Net book value			
At 31 December 2017	-	4,027	4,027
At 31 December 2016	5	702	707
Leased assets included in the above			
Net book value			
At 31 December 2017	-	1,636	1,636
At 31 December 2016	-	280	280

The company has leased plant and equipment on leases which are considered to meet the definition of finance leases and are accounted for accordingly.

10 Debtors

	2017 £'000	2016 £'000
Trade debtors	1,581	1,543
Amounts owed by Group undertakings	855	987
Corporation tax	-	-
VAT	78	-
Prepayments and accrued income	56	31
	2,570	2,561

11 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	1,227	1,309
Amounts owed to Group undertakings	184	193
Corporation tax	-	30
Other taxation and social security	39	80
Other creditors	156	130
Accruals and deferred income	46	309
Defined contribution pension scheme accrual	8	8
Obligations under finance leases and hire purchase contracts (see note 13)	720	51
	2,380	2,110

12 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Obligations under finance leases and hire purchase contracts (see note 13)	2,617	224
	2,617	224

13 Obligations under finance leases

	2017 £'000	2016 £'000
Amounts payable under finance leases		
Within one year	825	62
In the second to fifth years inclusive	2,774	246
After five years		-
	3,599	308
Less: future finance charges	(262)	(33)
Present value of lease obligations	3,337	275
Present value of minimum lease payments		
Within one year (see note 11)	720	51
In the second to fifth years inclusive (see note 12)	2,617	224
After five years	-	-
Present value of lease obligations	3,337	275

14 Provisions for liabilities

	2017 £'000	2016 £'000
Deferred taxation		
Balance Brought Forward	23	(10)
Arising during the year	78	33
Adjustments in respect of prior years	(4)	-
Balance at 31 December	97	23

The amounts provided for deferred taxation, calculated at 17% are as follows:

	2017	2016
Accelerated capital allowances	134	23
Other timing differences	(37)	-
	97	23

15 Called-up share capital and reserves

	2017	2016
	£'000	£'000
Allotted, called up and fully paid:		
1,263,000 Ordinary shares of £1 each	1,263	1,263
	1,263	1,263

The company has one class of ordinary shares which carry no right to fixed income.
The profit and loss reserve represents cumulative profits or losses.

16 Related parties

Transactions with related parties are disclosed as follows:

	Sales £'000	Purchases £'000
Year ended 31 December 2017		
Aggregate Industries UK Limited	2,101	1,302
Tarmac Trading Limited	2,006	-
GRS Roadstone Limited	9	1,621
13 months to 31 December 2016		
Aggregate Industries UK Limited	1,486	94
Tarmac Trading Limited	646	-
GRS Roadstone Limited	-	12

Amounts outstanding were as follows:	Debtors £'000	Creditors £'000
At 31 December 2017		
Aggregate Industries UK Limited	832	35
Tarmac Trading Limited	-	-
GRS Roadstone Limited	5	286
At 31 December 2016		
Aggregate Industries UK Limited	702	191
Tarmac Trading Limited	285	-
GRS Roadstone Limited	-	2

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured and interest free. The Group has not provided or benefited from any guarantees for any related party receivables or payables.

17 Parent and ultimate parent company

The company is jointly controlled by Aggregate Industries UK Limited, registered at Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ Great Britain and GRS Roadstone Group Limited having its registered address at 10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ.

The ultimate parent undertaking of Aggregate Industries UK Limited is Lafargeholcim Ltd which is registered at Zurcherstrasse 156, CH-8645 Jona, Switzerland.

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

Copies of the group financial statements of LafargeHolcim Ltd are available on www.lafargeholcim.com or from LafargeHolcim Ltd, Corporate Communications, Zurcherstrasse 156, CH-8645 Jona, Switzerland.