

Registered number: FC027898

RIMARCAL CORPORATION

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



RIMARCAL CORPORATION

COMPANY INFORMATION

Directors	D J Clarke (resigned 18 January 2017) E A Gretton N Benning-Prince Dr C M Wendt (appointed 18 January 2017)
Company secretary	Dr C M Wendt
UK Establishment registered number	FC027898
UK Establishment Office	Hanson House 14 Castle Hill Maidenhead England SL6 4JJ
Registered office	PH Arifa, 9th and 10th Floors West Boulevard Santa Maria Business District Panama City Republic of Panama
UK Branch number	BR9635

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RIMARCAL CORPORATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the unaudited financial statements for the year ended 31 December 2017.

Principal activity

The Company is a group finance company.

Results and dividends

The profit for the year, after taxation, amounted to £13,792,000 (2016 - £18,206,000).

The Directors do not recommend the payment of a final dividend (2016 - £nil).

Directors

The Directors who served during the year were:

D J Clarke (resigned 18 January 2017)
E A Gretton
N Benning-Prince
Dr C M Wendt (appointed 18 January 2017)

This report was approved by the board on 9 October 2018 and signed on its behalf.



Dr C M Wendt
Director

RIMARCAL CORPORATION

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Administrative expenses		(4)	(4)
Operating loss		(4)	(4)
Interest receivable and similar income	4	13,796	18,210
Profit on ordinary activities before taxation		13,792	18,206
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		13,792	18,206
Total comprehensive income for the financial year		13,792	18,206

All amounts relate to continuing operations.

The notes on pages 5 to 10 form part of these unaudited financial statements.

RIMARCAL CORPORATION
REGISTERED NUMBER: FC027898

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors: amounts falling due within one year	6	2,361,569	2,347,773
Creditors: amounts falling due within one year	7	(15)	(11)
Net current assets		<u>2,361,554</u>	<u>2,347,762</u>
Net assets		<u>2,361,554</u>	<u>2,347,762</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account		1,995,945	1,995,945
Profit and loss account		365,609	351,817
Shareholders' funds		<u>2,361,554</u>	<u>2,347,762</u>

The unaudited financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 October 2018.


N Benning-Prince
 Director

The notes on pages 5 to 10 form part of these unaudited financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2016	-	1,995,945	333,611	2,329,556
Comprehensive income for the year				
Profit for the year	-	-	18,206	18,206
Total comprehensive income for the year	-	-	18,206	18,206
At 1 January 2017	-	1,995,945	351,817	2,347,762
Comprehensive income for the year				
Profit for the year	-	-	13,792	13,792
Total comprehensive income for the year	-	-	13,792	13,792
At 31 December 2017	-	1,995,945	365,609	2,361,554

The notes on pages 5 to 10 form part of these unaudited financial statements.

RIMARCAL CORPORATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Statement of compliance with FRS 101

Rimarc Corporation ("the Company") was incorporated in the Republic of Panama on 13 September 2007 and registered as a UK Establishment on 26 October 2007. The UK Branch commenced on 19 September 2007. It is tax resident in the UK. The address of its registered office and principal place of business is disclosed in the Company Information.

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's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000).

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

1.2 Basis of preparation of financial statements

The Company is not required to prepare audited accounts under Panamanian law. The unaudited financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' and section 396 of the Companies Act 2006 applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies Regulations 2009.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures 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.

1.4 Going concern

The accounts have been prepared on a going concern basis as the Company is in a position to meet its obligations as they fall due.

RIMARCAL CORPORATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.5 Financial instruments

i) Financial assets other than derivatives

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 determines the classification of its financial assets at initial recognition.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

The Company reviews indicators of impairment on an ongoing basis and where such indicators exist, the Company makes an estimate of the asset's recoverable amount.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest rate ("EIR") method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the Statement of Comprehensive Income.

Losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

ii) Financial liabilities other than derivatives

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

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 financial liabilities at initial recognition.

Subsequent measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and interest payable.

1.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.7 Current and deferred 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.

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investment in subsidiaries, branches and associates, and interests in joint ventures, a deferred tax liability shall be recognised in accordance with IAS 12.39.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Recoverability of amounts owed by group undertakings

The Company reviews the recoverability of amounts owed by group undertakings by reviewing the net assets of the counterparty. If the counterparty has net liabilities a provision is made by management for the amount considered irrecoverable.

3. Staff costs

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £758,000 (2016 - £765,000), which was paid by various fellow subsidiaries. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

RIMARCAL CORPORATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Interest receivable

	2017 £000	2016 £000
Interest receivable from group companies	13,796	18,210

5. Taxation

	2017 £000	2016 £000
Current Income tax		
Current UK Corporation tax on profit for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	13,792	18,206
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	2,655	3,641
Effects of:		
Group relief	(2,655)	(3,641)
Total tax charge for the year	-	-

Change in corporation tax rate

The main rate of corporation tax reduced from 20% to 19% on 1 April 2017. There is a further reduction in the main rate of corporation tax to 17% on 1 April 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Debtors

	2017 £000	2016 £000
Due within one year		
Amounts owed by group undertakings	<u>2,361,569</u>	<u>2,347,773</u>

Amounts owed by group undertakings accrue interest at three month LIBOR plus 25 basis points, are unsecured and are repayable on demand.

7. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	<u>15</u>	<u>11</u>

Amounts owed to group undertakings attract interest at LIBOR + 2.5%, are unsecured and are repayable on demand.

8. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Authorised		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Authorised, allotted, called up and fully paid		
3 ordinary shares of £1 each	<u>-</u>	<u>-</u>

9. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries in the group headed by HeidelbergCement AG. Balances outstanding at 31 December with related parties, are as follows:

	2017 £000	2016 £000
Amounts owed by fellow subsidiary undertakings	2,361,569	2,347,773
Amounts owed to ultimate parent undertaking	(15)	(11)
	<u>2,361,554</u>	<u>2,347,762</u>

10. Ultimate parent undertaking and controlling party

RIMARCAL CORPORATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Company's immediate parent undertaking is Cowichan Corporation, a company registered in the Republic of Panama. The Company's ultimate parent undertaking is HeidelbergCement AG, a company registered in Germany. The largest and smallest group in which the results of the Company are consolidated is that headed by HeidelbergCement AG. Copies of the consolidated financial statements of HeidelbergCement AG may be obtained from Berliner Strasse 6, D 69120 Heidelberg, Germany.