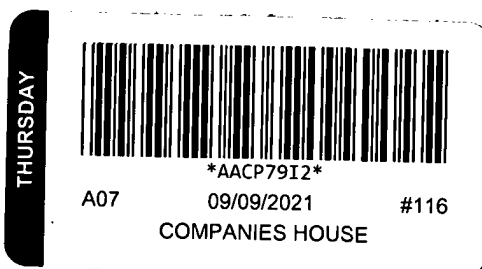


Registered number
00872099

Aggregate Industries Management Limited

Annual Report and Financial Statements
for the year ended 31 December 2020



Aggregate Industries Management Limited
Report and financial statements
for the year ended 31 December 2020

	Page
Directors and advisors	1
Directors' report	2 - 3
Independent auditor's report to the members of Aggregate Industries Management Limited	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

Aggregate Industries Management Limited
Directors and advisors

Directors

J F Bowater

P J Norah

Independent Auditor

Mazars LLP

Statutory Auditor

2 Chamberlain Square

Birmingham

United Kingdom

B3 3AX

Registered office

Bardon Hall

Copt Oak Road

Markfield

Leicestershire

United Kingdom

LE67 9PJ

Registered number

00872099

Aggregate Industries Management Limited
Directors' report
for the year ended 31 December 2020

The directors present their annual report and the audited financial statements for the Company for the year ended 31 December 2020.

Directors

The following directors held office during the year and up to the date of signing this report:

J F Bowater

P J Norah

Information on the directors' remuneration is shown in note 4.

Principal Activities, Business review and future developments

The directors consider Aggregate Industries Management Limited ("the Company") which is involved in providing management services to be a non-trading company. The directors expect the Company to continue providing management services as a non-trading company in the future years.

Results

The company recognised a total comprehensive income of £17k (2019: £10k expense). At 31 December 2020 the company has net assets of £2,995k (2019: £2,978k).

The Statement of Profit & loss and Other Comprehensive Income and Balance Sheet appear on pages 6 and 7 respectively.

Dividends

No Dividend has been declared and paid by the company during the year (2019: £Nil).

Going concern

The directors have considered the performance, maturity date of its liabilities and the ability of the Company to cover short term repayments and the cashflow forecast for the next 12 months. As a result, the directors believe the Company has sufficient resources to pay its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis. The directors have also considered, there will be no significant and material impact of Covid 19 on the Company.

Events since the Balance Sheet date

There were no material disclosable or adjusting events between 31 December 2020 and the date of signing these financial statements.

COVID 19

The company is a non trading entity, as such COVID 19 has had no direct impact on the business. The potential for credit losses (both COVID 19 related and other) is given in note 6.

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 auditor

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.

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

Auditor appointment

Mazars LLP has been appointed as statutory auditor of the Company during the year.

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.

Aggregate Industries Management Limited
Directors' report
for the year ended 31 December 2020 (continued)

Directors' responsibilities statement

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, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.


The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit and 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; and
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:

DocuSigned by:

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John Bowater

On behalf of Aggregate Industries Management Limited
Director
25 August 2021

Aggregate Industries Management Limited

Independent auditor's report to the members of Aggregate Industries Management Limited

Opinion

We have audited the financial statements of Aggregate Industries Management Limited for the year ended 31 December 2020 which comprise Statement of comprehensive income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Aggregate Industries Management Limited**Independent auditor's report to the members of Aggregate Industries Management Limited****Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

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, 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.

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.


Aggregate Industries Management Limited

Independent auditor's report to the members of Aggregate Industries Management Limited

Use of the audit 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.

DocuSigned by:


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Louis Burns (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Two Chamberlain Square
Birmingham
B3 3AX
Date: 25 August 2021

Aggregate Industries Management Limited
Statement of Comprehensive Income
for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Continuing operations			
Administrative expense		-	-
Operating profit		<u>-</u>	<u>-</u>
Finance Income	5	20	-
Provision for credit losses	6	(1)	(10)
Profit / (loss) before taxation	7	<u>19</u>	<u>(10)</u>
Income tax expense	8	(2)	-
Profit / (loss) for the financial year		<u>17</u>	<u>(10)</u>
Other comprehensive income for the year:		-	-
Total comprehensive income / (expense)		<u>17</u>	<u>(10)</u>

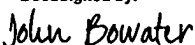
The notes on pages 10 - 17 form an integral part of these financial statements.

Aggregate Industries Management Limited
Company Registration No. 00872099
Balance Sheet
as at 31 December 2020

	Note	2020 £'000	2019 £'000
Current assets			
Debtors	10	4,701	4,702
Cash at bank and in hand		1,504	1,212
Creditors: amounts falling due within one year	11	(2,258)	(2,936)
Net current assets		<u>3,947</u>	<u>2,978</u>
Creditors: falling due after more than one year	12	(950)	-
Provisions for liabilities and charges	13	(2)	-
Net assets		<u>2,995</u>	<u>2,978</u>
Capital and reserves			
Called up share capital	14	16,000	16,000
Share premium account	15	15,867	15,867
Retained loss	15	(28,872)	(28,889)
Total equity		<u>2,995</u>	<u>2,978</u>

The notes on pages 10 - 17 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 August 2021, they were signed on its behalf by:

DocuSigned by:

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John Bowater
Director
25 August 2021

Aggregate Industries Management Limited
Statement of Changes in Equity
for the year ended 31 December 2020

	Attributable to equity shareholders			
	Called-up Share capital	Share premium account	Retained loss	Total
	£'000	£'000	£'000	£'000
As at 1 January 2019	16,000	15,867	(28,879)	2,988
(Loss) for the year	-	-	(10)	(10)
Other comprehensive expense	-	-	-	-
Total comprehensive loss	-	-	(10)	(10)
As at 31 December 2019	16,000	15,867	(28,889)	2,978
(Loss) for the year	-	-	17	17
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	17	17
As at 31 December 2020	16,000	15,867	(28,872)	2,995

The notes on pages 10 - 17 form an integral part of these financial statements.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

1 Corporate information

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue with a resolution of the directors on 25 August 2021. The company is a private company, limited by shares, incorporated in the United Kingdom and registered in England & Wales under Companies Act 2006. The principal activity of the Company is set out in Directors Report on page 2 and its registered address is shown on page 1.

The Company's Financial Statements are presented in Pound Sterling because that is the currency of the principal economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

2 Accounting policies

2.1 Basis of preparation

The company is itself included in the consolidated financial statements of Holcim Ltd incorporated in Switzerland. Accordingly, these accounts present information about the company as an individual undertaking.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards and the Companies Act 2006

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2020.

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.
- (g) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In 2020 the company has considered the following amendments, new accounting standards and relevant interpretation and it has been concluded that they have no material impact on these financial statements and as such no retrospective adjustments were required.

- Amendments to IFRS 3 - Definition of a Business
- Amendments to IAS 1 and IAS 8 - Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform
- Amendment to IFRS 16 - Covid-19-Related Rent Concessions

Going Concern

The directors have considered the performance, maturity date of its liabilities and the ability of the Company to cover short term repayments and the cashflow forecast for the next 12 months. As a result, the directors believe the Company has sufficient resources to pay its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis. The directors have also considered, there will be no significant and material impact of Covid 19 on the Company.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

2 Accounting policies (continued)

2.2 Summary of significant accounting policies

a Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the balance sheet net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

2 Accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

c Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. Since the receivables of the Company are with 100% Holcim Group companies, the credit risk is considered very low.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Impairment of financial assets

The Company revised its impairment methodology under IFRS 9, defining 2 types of financial assets subject to IFRS 9's expected credit loss model. For trade receivables, the Company applies the simplified approach providing for expected credit losses using the lifetime expected loss provision for trade receivables. For loans and receivables, the credit provision is determined based on the credit risk standing at each reporting date. There was no material impact relating to provisions on loan receivables on conversion to IFRS 9.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

2 Accounting policies (continued)
2.2 Summary of significant accounting policies (continued)

c Financial instruments (continued)

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument, which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

2 Accounting policies (continued)

2.2 Summary of significant accounting policies (continued)

c Financial instruments (continued)

Derivative financial instruments and hedge accounting

The company mainly uses derivative financial instruments in order to reduce its exposure to changes in commodities prices. Derivatives are regarded as held for hedging unless they do not meet the strict hedging criteria stipulated under IFRS 9 Financial Instruments, in which case they will be classified as held for trading. Financial derivatives expected to be settled within 12 months after the end of the reporting year are classified as current assets or current liabilities. Movements in the cash flow hedging reserve are shown in the Statement of changes in equity.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss is dependent on the nature of the item being hedged. On the date a derivative contract is entered into, the Company designates certain derivatives as either (a) a hedge of the fair value of a recognized asset or liability (fair value hedge) or (b) a hedge of a particular risk associated with a recognized asset or liability, such as future interest payments on floating rate debt (cash flow hedge) or (c) a hedge of a foreign currency risk of a commitment (cash flow hedge).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that are highly effective are recorded in the statement of income, along with any changes in fair value of the hedged asset or liability that is attributable to the hedged risk. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income (expenses). The Company documents at the inception of hedging transactions the economic relationship between hedging instruments and hedged items, including whether the hedging instrument is expected to offset changes in cash flows of hedged items, and its risk management objective and strategy.

d Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less. Restricted cash is classified as other receivables.

3 Critical accounting judgements and key sources of estimation uncertainty.

The Company's significant accounting policies are set out above. The preparation of financial statements, in conformity with FRS 101, 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.

In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

The directors have considered the financial statements and do not consider there to be any critical accounting judgements or key sources of estimation uncertainty.

4 Employees and directors

The directors of the Company (also key management personnel) 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 (2019: £Nil).

No staff were employed by the company during the year (2019: Nil).

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

5 Finance Income

	Note	2020 £'000	2019 £'000
Discount on initial recognition of fair value of long term liability	12	20	-
		<u>20</u>	<u>-</u>

6 Provision for credit losses

	Note	2020 £'000	2019 £'000
Provision for credit losses	8	(1)	(10)
		<u>(1)</u>	<u>(10)</u>

The provision for credit losses is calculated using a probability of default (PD) of 0.580% (2019: 0.755%) and a loss given default (LGD) of 40% (2019: 27%).

7 Profit / (loss) before taxation

The audit fee has been borne by a fellow group company in both years. This is determined for group as a whole and therefore the fee for Aggregate Industries Management Limited cannot be disaggregated separately. There are no non-audit fees paid in either 2020 or 2019.

8 Taxation

	2020 £'000	2019 £'000
Based on profit / (loss) for the year:		
Corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred taxation	4	-
Impact of deferred tax rate change	-	-
Adjustments in respect of prior years	(2)	-
Total deferred tax charge	<u>2</u>	<u>-</u>
Tax on profit / (loss) on ordinary activities	<u>2</u>	<u>-</u>

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19.00% (PY: 19.00%)

The differences are explained below:

	2020 £'000	2019 £'000
(Loss) before taxation	19	(10)
(Loss) on ordinary activities at the standard rate	4	(2)
Adjustment in respect of prior years	(2)	-
(Non taxable income) / Non-deductible items	-	2
Total tax	<u>2</u>	<u>-</u>

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 effective rate of 19.00% (2019 19.00%)

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

9 Other financial assets and financial liabilities

The book values and estimated fair values of the Company's financial assets and liabilities as at 31 December 2020 are set out below:

	Book value		Fair value	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<i>Financial assets:</i>				
Debtors	<u>4,701</u>	<u>5,914</u>	<u>4,701</u>	<u>5,914</u>
Total	<u><u>4,701</u></u>	<u><u>5,914</u></u>	<u><u>4,701</u></u>	<u><u>5,914</u></u>
<i>Financial liabilities:</i>				
Creditors due within one year	<u>2,258</u>	<u>2,936</u>	<u>2,258</u>	<u>2,936</u>
Creditors due after more than one year	<u>970</u>	<u>-</u>	<u>950</u>	<u>-</u>
Total	<u><u>3,228</u></u>	<u><u>2,936</u></u>	<u><u>3,208</u></u>	<u><u>2,936</u></u>

10 Debtors	2020	2019
	£'000	£'000
Amounts due from fellow subsidiaries	<u>4,701</u>	<u>4,702</u>
Total current	<u><u>4,701</u></u>	<u><u>4,702</u></u>

The amounts due from fellow subsidiaries as of 31 December 2020 is unsecured, interest free and are repayable on demand.

The amounts due from fellow subsidiaries includes a provision of £11k (2019: £10k) for credit losses, see note 5.

11 Creditors: amounts falling due within one year	2020	2019
	£'000	£'000
Other creditors	<u>1,504</u>	<u>1,212</u>
Amounts due to group undertakings	<u>754</u>	<u>1,724</u>
Total current	<u><u>2,258</u></u>	<u><u>2,936</u></u>

Other creditors comprise amounts due to:

- a) "dissenters", who were holders of shares in group companies which were subsequently acquired outright by other group companies and;
- b) the beneficiaries of the group's life assurance policy.

A cash balance is held to cover these amounts which are due on demand.

The amounts due to group undertakings are unsecured, interest free and are repayable on demand.

12 Creditors: amounts falling due after one year	2020	2019
	£'000	£'000
Amounts due to group undertakings	<u>950</u>	<u>-</u>
	<u><u>950</u></u>	<u><u>-</u></u>

The corresponding balance of £970k in the prior year is included within Creditors: amounts falling due within one year.

The current year's value is stated after allowing for £20k relating to initial recognition of fair value which has been taken to other comprehensive income.

Aggregate Industries Management Limited
Notes to the Financial Statements
for the year ended 31 December 2020

13 Provisions for liabilities and charges	2020	2019
	£'000	£'000
Deferred taxation		
At 1 January	-	-
Arising during the year	4	-
Impact of deferred tax rate change	(2)	-
At 31 December	<u>2</u>	<u>-</u>

The amounts provided for deferred taxation, calculated at 19% (2019 17.00%) are as follows:

Other timing differences	<u>2</u>	<u>-</u>
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Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. The expected reduction in the standard rate from 19% to 17% from 1 April 2020 was reversed by Finance Bill 2020.

The Finance Bill 2021, published on 11 March 2021, stated that the corporate tax rate will increase to 25% by 1 April 2023. Finance Bill 2021 was not substantively enacted by the balance sheet date. Accordingly, deferred tax balances as at 31 December 2020 are calculated at the current rate of 19% (2019: 17%).

The estimated impact of the rate change to 25% would be an increase in the deferred tax liability of £nil.

14 Share capital	2020	2019
	£'000	£'000
<i>Authorised, allotted, called up and fully paid:</i>		
16,000,000 Ordinary shares of £1 each	<u>16,000</u>	<u>16,000</u>

15 Reserves
Authorised, called up and fully paid share capital and share premium accounts

Called up share capital comprises the net proceeds up to par value on issue of the Company's equity share capital, of 16,000,000 ordinary shares of £1 each. The excess proceeds above the par value are recognised within the share premium account.

Retained loss records retained earnings and accumulated losses.

16 Parent and ultimate parent company

The immediate parent company is Aggregate Industries Limited registered at Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ Great Britain.

The ultimate parent undertaking of Aggregate Industries Limited is Holcim Ltd which is registered in Switzerland. Copies of the group financial statements of Holcim Ltd may be obtained from Grafenauweg 10, 6300 Zug, Switzerland, or from www.holcim.com/investor-relations.

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

17 Events since the Balance Sheet date

There were no material disclosable or adjusting events between 31 December 2020 and the date of signing these financial statements.