

Registered number 04026569

TARMAC BUILDING PRODUCTS LIMITED
Annual report and financial statements
for the year ended 31 December 2013

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Tarmac Building Products Limited

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Tarmac Building Products Limited

Officers and professional advisers For the year ended 31 December 2013

Directors

C Ragoucy

G F Young

M W Joel

F P Penhallurick

Secretary

F P Penhallurick

Banker

Barclays Bank plc

1 Churchill Place

Canary Wharf

London E14 5HP

Auditor

Deloitte LLP

Four Brindleyplace,

Birmingham B1 2HZ

Tarmac Building Products Limited

Strategic report

For the year ended 31 December 2013

The directors present their strategic report on the affairs of the Company for the year ended 31 December 2013. This is the first time for the directors to present a strategic report of the company as required by section 414C of the Company Act 2006.

Review of the business

Tarmac Building Products Limited is a leading supplier of building material products in the United Kingdom. The product range includes mortars & screeds, cementitious products, aggregate & aircrete concrete blocks, bagged aggregates, specialist soils and dried sands. The Company essentially supplies national markets, with strategically positioned operations to service key regions. The markets served are predominantly a combination of housing and commercial build, with sales traded either directly with the customer or through builders' merchants and buying societies.

Throughout the year the Company was managed as part of Anglo American plc (the "Group"). The borrowing facilities of Tarmac Building Products Limited were provided by Anglo American Finance (UK) Limited.

The Company's business activities, together with the factors likely to affect its future development, performance and position; and its exposures to risk, are set out in this report.

Results and performance

The results of Tarmac Building Products Limited for the year, as set out on page 9, shows a loss on ordinary activities before tax of £5.0m (2012: Loss £13.1m). The shareholders' funds of the Company total £1.1m (2012: £5.7m).

The operating performance reflects the trading performance for the period 1 January 2013 to 31 December 2013. Following a slow start to the year demand across the product portfolio remained relatively strong. Confidence in the house building sector returned, supported by low stable interest rates for mortgages and government lending initiatives to help improve the housing market.

The business continued to manage its cost base by further delivery of cost saving initiatives through procurement, close management of operating costs and disposal of surplus fixed assets. The low cost base will start to deliver a stronger performance as the market improvement continues.

Turnover of £172.9 million (2012: £158.8 million) resulted in the Company suffering an operating loss of £6.1 million (2012: £12.9 million). The Company's loss before tax, including exceptional items, was £5.0 million (2012: £13.1 million), which included £1.7 million (2012: £0.1 million) in respect of profit on fixed asset sales.

Cash at bank and in hand at 31 December 2013 was £15.1 million (2012: £7.4 million) and net assets on the balance sheet were £1.1 million (2012: £5.7 million).

Business environment

2013 saw the market improve across the majority of the sectors that Tarmac Building Products Limited serves, driven by a return to confidence in the housing sector which led to an increase in house building and milder winter weather than previously experienced.

Strategy

The Company's strategy is to maximise shareholder value by returning the business to be cash generative whilst maintaining its strong market position in its core product range.

The Company continues to focus on its core business activities by offering exceptional customer service and product quality, delivered safely through an empowered and performance driven team. The business will also continue to identify new opportunities and initiatives through increased investment and product development.

Tarmac Building Products Limited

Strategic report (continued) For the year ended 31 December 2013

Key performance indicators (KPI's)

In order to realise its strategic aims, the Company has identified areas of strategic focus and has put in place Key Performance Indicators (KPI's) to measure and assess progress. The following indicators are calculated before exceptional items:

Earnings before Interest, Tax, Depreciation & Amortisation before exceptionals (EBITDA) 2013: Loss £3.7 million (2012: Loss £11.1 million).

EBITDA before exceptionals Margin 2013: -2.1% (2012: -7.0%).

Working capital as a percentage of turnover 2013: 4.3% (2012: -3.5%).

Lost time injury frequency rate (LTIFR) 2013: 0.21 (2012: 0.69)

While these KPIs are helpful in measuring the Company's performance, it should be stressed that they are not exhaustive and that many additional performance measures are used to monitor progress.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through the framework of policies, procedures and internal controls. All policies are subject to ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance team and finance department take on an important oversight role in this regard. The Governance Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

Future developments

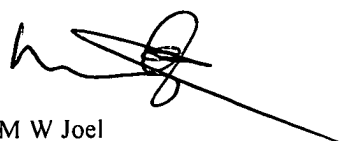
The outlook in the short term is for the building market to remain relatively positive, particularly in the housing sector, where the shortage of housing in the UK, in comparison to demand, continues to rise. The Company will continue to identify opportunities to meet the anticipated increase in demand from customers.

As such, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

On 31 March 2014 Lafarge Tarmac Holdings Limited ("Lafarge Tarmac"), a joint venture between Anglo American Finance (UK) Limited and Lafarge UK Holdings Limited, acquired the entire share capital of Tarmac Building Products Limited. Lafarge Tarmac Holdings Limited has confirmed the continued availability of a funding facility whilst the Company remains a subsidiary of Lafarge Tarmac Holdings Limited.

This acquisition will lead to further business and market opportunities for both parties.

Approved by the Board and signed on its behalf by:



M W Joel

Director

24 September 2014

Tarmac Building Products Limited

Directors' report For the year ended 31 December 2013

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2013.

Future developments

Likely future developments in the business of the Company are discussed in the strategic report.

Dividends

A dividend of £nil (2012: £nil) was paid during the year. The retained loss for the year of £5.0 million (2012: £12.9 million) has been transferred to reserves.

Directors

The directors, who served throughout the year unless otherwise stated, were as follows:

I Lichfield	(resigned 31 March 2014)
R P Burne	(resigned 31 March 2014)
D Billson	(resigned 31 March 2014)
C Ragoucy	(appointed 31 March 2014)
G F Young	(appointed 31 March 2014)
M W Joel	(appointed 31 March 2014)
F P Penhallurick	(appointed 31 March 2014)

Employees

Disabled persons

It is Company policy to treat all employees and potential employees equally and to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position and, wherever possible, to re-train employees who become disabled so that they can continue their employment.

Employee involvement

It is Company policy to communicate with and involve employees on matters affecting their interests at work and to inform them of the performance of the business. The Company adopts such employee consultation as is appropriate, including consultative committees, training and development and communication programmes. The information is complemented by the Company newspaper, "Our BP" and information on the Company intranet, which contain items of news, current affairs and information relevant to employees.

Financial instruments and risk management

The Company's activities expose it to a number of financial risks including credit risk, liquidity risk and price risk.

Credit risk:

The Company's principal financial assets are bank balances and cash, trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings. The Company has no significant concentration of credit risk.

Liquidity risk:

In order to maintain liquidity, the Company's funding requirements are under constant review. During the period funds were received from, or repaid to, Anglo American Finance (UK) Limited, a parent group subsidiary undertaking, as necessary so that sufficient funds were available for ongoing operations and future developments. Following the acquisition of Tarmac Building Products Limited by Lafarge Tarmac Holdings Limited on 31 March 2014 all funding needs will be provided by the new parent company.

Price risk:

Whilst the Company acknowledges that it is exposed to commodity price risk, this risk is minimised by continuous initiatives from its procurement department. Sales pricing is constantly monitored and adjusted depending on market conditions in order to maximise earnings.

Tarmac Building Products Limited

Directors' report (continued) For the year ended 31 December 2013

Interest risk:

The Company had an intercompany loan from Anglo American Finance (UK) Limited with interest charged monthly and any unpaid accrued interest added to the amount outstanding at the end of each month. Going forward, under Lafarge Tarmac Holdings Limited ownership, intercompany loans will have interest charged monthly and any unpaid accrued interest added to the amount outstanding at the end of each month.

Auditor

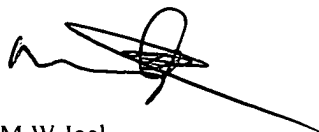
Each of the persons who is a director at the date of approval of this report confirms that:

- 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/she ought to have taken as a director in order to make himself/herself 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.

Deloitte LLP have indicated their willingness to be reappointed.

Approved by the Board and signed on its behalf by:



M W Joel

Director

24 September 2014

Salisbury House
2A Tettenhall Road
Wolverhampton
WV1 4SA

Tarmac Building Products Limited

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Tarmac Building Products Limited

Independent auditor's report to the members of Tarmac Building Products Limited

We have audited the financial statements of Tarmac Building Products Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify any information that is apparently materially incorrect based on, or material inconsistencies with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Tarmac Building Products Limited

Independent auditor's report to the members of Tarmac Building Products Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Halls FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

26 September 2014

Tarmac Building Products Limited

Profit and loss account

For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Turnover	1	172,883	158,821
Cost of sales	3	(127,298)	(118,867)
Gross profit		<u>45,585</u>	<u>39,954</u>
Other operating expenses	3	(51,640)	(52,861)
Operating loss		<u>(6,055)</u>	<u>(12,907)</u>
Profit on sale of tangible fixed assets	5	1,655	76
Loss on ordinary activities before finance charges		<u>(4,400)</u>	<u>(12,831)</u>
Investment from shares in group undertaking		263	330
Finance charges (net)	4	(907)	(629)
Loss on ordinary activities before taxation	5	<u>(5,044)</u>	<u>(13,130)</u>
Tax on loss on ordinary activities	8	26	155
Loss on ordinary activities after taxation and for the financial year	17, 18	<u><u>(5,018)</u></u>	<u><u>(12,975)</u></u>

All activities related to continuing operations.

There are no recognised gains or losses in either year other than the loss for that year and accordingly no statement of total recognised gains and losses is given.

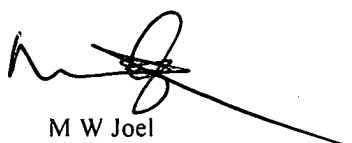
Tarmac Building Products Limited

Balance sheet

As at 31 December 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	19,840	20,420
Investments	10	375	375
		<u>20,215</u>	<u>20,795</u>
Current assets			
Stocks	11	12,578	14,944
Debtors			
– due within one year	12	23,949	21,413
Cash at bank and in hand		15,114	7,420
		<u>(44,228)</u>	<u>(38,293)</u>
Creditors: Amounts falling due within one year	13		
Net current assets/(liabilities)		<u>7,413</u>	<u>5,484</u>
Total assets less current liabilities		<u>27,628</u>	<u>26,279</u>
Creditors: Amounts falling due after more than one year	14	(26,543)	(20,618)
Provisions for liabilities	15	-	-
Net assets		<u>1,085</u>	<u>5,661</u>
Capital and reserves			
Called-up share capital	16	50,000	50,000
Profit and loss account	17	(48,915)	(44,339)
Shareholders' funds	18	<u>1,085</u>	<u>5,661</u>

The financial statements of Tarmac Building Products Limited (registered number 4026569) were approved by the board of directors and authorised for issue on 24 September 2014. They were signed on its behalf by:



M W Joel

Director

24 September 2014

Tarmac Building Products Limited

Notes to the financial statements

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company is exempt under Section 400 of the Companies Act 2006 from the obligation to prepare group financial statements, being a wholly-owned subsidiary undertaking of Anglo American plc as at 31 December 2013.

Under FRS1 *Cash Flow Statements* the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report and the Directors' Report.

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate. The Company was dependent for its working capital on funds provided to it by Anglo American Finance (UK) Limited, a fellow group subsidiary undertaking.

On 31 March 2014 Lafarge Tarmac Holdings Limited ("Lafarge Tarmac"), a joint venture between Anglo American Finance (UK) Limited and Lafarge UK Holdings Limited, acquired the entire share capital of Tarmac Building Products Limited. Lafarge Tarmac Holdings Limited have confirmed the continued availability of a funding facility whilst the Company remains a subsidiary of Lafarge Tarmac Holdings Limited.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers and, in respect of long term contracting activities, the value of work executed during the year. Sales of goods are recognised on dispatch and contracting revenue is recognised on valuation of work completed.

Leased assets

Operating lease rentals are charged to the profit and loss account in equal instalments over the life of the lease, except that provision is made for the expected net cost on vacant leasehold properties.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current 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.

Tarmac Building Products Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

Pension costs

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

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is based on historical cost, less the estimated residual values, and the estimated economic lives of the assets concerned. Freehold land and assets in the course of construction are not depreciated. Other tangible fixed assets are depreciated in equal annual instalments over the period of their estimated economic lives, which are principally as follows:

Freehold buildings	50 years
Long leasehold land and buildings	50 years
Short leasehold land and buildings	Period of lease
Plant and machinery	5 – 20 years

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Shared based payments

The Company has applied the requirements of FRS 20 (Share Based Payment). In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2007.

The Company issues equity-settled share based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

2. Segment information

During 2013 in the opinion of the directors the Company had only one principal continuing class of business, being the supply of building material products, all originating within the United Kingdom.

Tarmac Building Products Limited

Notes to the financial statements (continued)

3. Cost of sales, gross profit, other operating income and other operating expenses

	2013 £000	2012 £000
Cost of sales	(127,298)	(118,867)
Gross profit	45,585	39,954
Other operating expenses	(51,640)	(52,861)

All activities related to continuing operations.

Other operating expenses are in respect of administrative expenses.

4. Finance charge (net)

	2013 £'000	2012 £000
Investment income		
Interest receivable and similar income	18	6
Interest payable and similar charges		
Interest payable to group undertaking	(925)	(635)
Finance charges (net)	(907)	(629)

Tarmac Building Products Limited

Notes to the financial statements (continued)

5. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
- owned	2,141	1,764
Profit made on disposal of fixed assets	(1,655)	(76)
Foreign exchange gains	(19)	(5)
Operating lease rentals:		
- land and buildings	951	952
- other	1,156	1,229
	<u> </u>	<u> </u>

The analysis of auditor's remuneration is as follows:

	2013 £000	2012 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	33	33
	<u> </u>	<u> </u>

There were no non-audit fees in the year (2012: £nil).

6. Staff costs

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

	2013 Number	2012 Number
Production and distribution	488	507
Administration and selling	311	327
	<u> </u>	<u> </u>
	799	834
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2013 £000	2012 £000
Wages and salaries	24,985	26,172
Shared based payments	442	1,054
Social security costs	2,078	2,330
Other pension costs	728	770
	<u> </u>	<u> </u>
	28,233	30,326
	<u> </u>	<u> </u>

Tarmac Building Products Limited

Notes to the financial statements (continued)

7. Directors' remuneration

R P Burne is an employee of Anglo American plc and his emoluments are included in that company.

It is not practicable to allocate the services of the above director between his services as an employee of Anglo American plc and qualifying services to Tarmac Building Products Limited.

	2013 £000	2012 £000
Directors' remuneration		
Emoluments	487	387
Company contributions to money purchase pension schemes	80	53
	<u>567</u>	<u>440</u>
	Number	Number
The number of directors who:		
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>

	2013 £'000	2012 £000
Remuneration of the highest paid director:		
Emoluments	319	261
Company contributions to money purchase schemes	<u>68</u>	<u>28</u>

8. Tax on loss on ordinary activities

The tax charge/(credit) comprises:

	2013 £000	2012 £000
Corporation tax		
Amounts receivable for group relief	(63)	(155)
Adjustment in respect of previous periods : group relief	<u>37</u>	<u>-</u>
Total current tax	<u>(26)</u>	<u>(155)</u>
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>-</u>
Total deferred tax (see note 15)	<u>-</u>	<u>-</u>
Total tax credit on loss on ordinary activities	<u>(26)</u>	<u>(155)</u>

Tarmac Building Products Limited

Notes to the financial statements (continued)

8. Tax on loss on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(5,044)	(13,130)
Tax on Company loss on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(1,173)	(3,217)
Effects of:		
Expenses not deductible for tax purposes	126	37
Depreciation in excess of capital allowances	359	405
Income not taxable	(362)	(81)
Movement in short term timing differences	(1)	(53)
Adjustment to tax charge in respect of previous periods	38	-
Tax losses arising in the period – not recognised	978	2,754
Share option timing differences	9	-
Current tax credit for period	(26)	(155)

The 2012 Budget introduced a reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. Finance Act 2013 subsequently enacted further reductions in the main rate of corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantially enacted at the balance sheet date. Accordingly the reduction to 20% has been considered when measuring the deferred tax assets and liabilities at 31 December 2013.

Tarmac Building Products Limited

Notes to the financial statements (continued)

9. Tangible fixed assets

	Land and buildings £000	Plant, machinery and vehicles £000	Assets in course of construction £000	Total £000
Cost or valuation				
At 1 January 2013	11,583	68,696	2,883	83,162
Additions	-	-	2,848	2,848
Disposals	(2,546)	(1,475)	-	(4,021)
Transfers	24	3,814	(3,838)	-
At 31 December 2013	9,061	71,035	1,893	81,989
Accumulated depreciation				
At 1 January 2013	3,293	59,449	-	62,742
Charge for the year	430	1,711	-	2,141
Disposals	(1,304)	(1,430)	-	(2,734)
At 31 December 2013	2,419	59,730	-	62,149
Net book value				
At 31 December 2013	6,642	11,305	1,893	19,840
At 31 December 2012	8,290	9,247	2,883	20,420

Tarmac Building Products Limited

Notes to the financial statements (continued)

10. Fixed asset investments

	Subsidiary undertakings £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	375
Provisions for impairment	
At 1 January 2013 and 31 December 2013	-
Net book value	
At 31 December 2013	375
At 31 December 2012	375

Principal investments

The Company acquired an investment in the following subsidiary undertaking on 1 July 2010, from Tarmac Limited, which is held directly by Tarmac Building Products Limited.

	Country of incorporation or principal business address	Principal activity	% of issued ordinary share capital
Subsidiary undertakings			
Tilcon Huttenes Albertus Limited	Great Britain	Manufacture of resin coated sand	75%

11. Stocks

	2013 £000	2012 £000
Raw materials and consumables	7,121	8,123
Finished goods and goods for resale	5,457	6,821
	<u>12,578</u>	<u>14,944</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Tarmac Building Products Limited

Notes to the financial statements (continued)

12. Debtors

	2013 £000	2012 £000
Amounts falling due within one year:		
Trade debtors	20,038	17,111
Amounts owed by Group undertakings	-	478
Amounts owed by Group undertakings - Group relief	384	359
Other debtors	845	735
Prepayments and accrued income	2,682	2,730
	<u>23,949</u>	<u>21,413</u>

13. Creditors – amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	19,911	20,043
Amounts owed to Group undertakings	1,331	1,560
Amounts owed to Group joint venture	12,288	6,347
Other taxation and social security	2,696	3,513
Other creditors	3,499	1,641
Accruals and deferred income	4,503	5,189
	<u>44,228</u>	<u>38,293</u>

14. Creditors – amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to Group undertakings	<u>26,543</u>	<u>20,618</u>

The Company had an intercompany loan from Anglo American Finance (UK) Limited. Interest was charged on a monthly basis and any unpaid accrued interest added to the amount outstanding at the end of each month.

From 31 March 2014 the Company has a funding facility provided by Lafarge Tarmac Holdings Limited. Interest is charged on a monthly basis and any unpaid accrued interest is added to the amount outstanding at the end of each month.

Tarmac Building Products Limited

Notes to the financial statements (continued)

15. Provisions for liabilities

Deferred tax

A deferred tax asset of £17,681,000 (2012: £19,896,000) has not been provided in the accounts due to the uncertainty regarding the availability of sufficient taxable trading profits in future periods.

16. Called-up share capital

	2013 £	2012 £
Allotted, called-up and fully-paid		
50,000,002 ordinary shares of £1 each	50,000,002	50,000,002

17. Reserves

	2013 £000	2012 £000
At 1 January	(44,339)	(32,418)
Loss for the financial year	(5,018)	(12,975)
Credit to equity for equity-settled share based payments	442	1,054
At 31 December	(48,915)	(44,339)

18. Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Loss for the financial year	(5,018)	(12,975)
Credit to equity for equity-settled share based payments	442	1,054
Net reduction to shareholders' funds	(4,576)	(11,921)
Opening shareholders' funds	5,661	17,582
Closing shareholders' funds	1,085	5,661

Tarmac Building Products Limited

Notes to the financial statements (continued)

19. Financial commitments

Capital commitments are as follows:

	2013 £000	2012 £000
Contracted for but not provided for	534	196

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2013 £000	Other 2013 £000	Land and buildings 2012 £000	Other 2012 £000
Expiry date				
- within one year	219	521	219	471
- between two and five years	120	588	120	711
- after five years	612	47	612	47
	951	1,156	951	1,229

Leases of land and buildings are typically subject to rent reviews at specified intervals.

20. Related party transactions

Under Financial Reporting Standard 8, the Company was exempt from the requirement to disclose transactions with other group undertakings on the grounds that it was a wholly owned subsidiary of Anglo American Finance (UK) Limited and its results are included in the consolidated financial statements of Anglo American plc.

21. Pensions

The Company operates a defined contribution scheme for which the pension cost for the year amounted to £728,000 (2012: £770,000).

22. Share based payments

During the year ended 31 December 2013, the Company had four share based payment arrangements with employees. All the Company's schemes are equity settled, either by award of options to acquire ordinary shares (SAYE) or award of ordinary shares (BSP, LTIP and SIP) in the ultimate parent undertaking, Anglo American plc.

The provision of shares to certain of the Company's schemes is facilitated by an employee benefit trust established by Anglo American plc. The employee benefit trust has waived the right to receive dividends on these shares.

The total share-based payment charge for the year to date was made up as follows:

	2013 £000	2012 £000
LTIP	240	297
BSP	(63)	172
SAYE	139	370
Other	126	215
Total share-based payment expense	442	1,054

Tarmac Building Products Limited

Notes to the financial statements (continued)

22. Share based payments (continued)

All options outstanding at 31 December 2013 with an exercise date on or prior to 31 December 2013 are deemed exercisable. Options were exercised regularly during the period and the weighted average share price for the year ended 31 December 2013 was £15.79 (2012: £21.43).

Ordinary shares of 54 86/91 US cents may be awarded under the terms of the schemes for no consideration. The number of shares is as follows:

As at 31 December 2013

	Shares outstanding 1 January 2013	Shares conditionally awarded in the year	Shares vested in year	Shares forfeited in year	Shares expired in year	Shares outstanding 31 December 2013
LTIP	23,800	15,400	(3,600)	-	-	35,600
BSP	20,882	12,622	(4,021)	(846)	-	28,637

Options to acquire ordinary shares of 54 86/91 US cents were outstanding under the terms of the schemes as follows:

As at 31 December 2013

	Options outstanding 1 January 2013	Options granted in year	Options exercised in year	Options forfeited in year	Options expired in year	Options outstanding 31 December 2013
SAYE	93,265	45,150	(8,679)	(20,783)	(6,705)	102,248

23. Ultimate parent company

At the balance sheet date, the ultimate parent undertaking and controlling party of Tarmac Building Products Limited, and the parent company of the smallest and largest group of which the company was a member and for which group accounts are prepared, was Anglo American plc, a company incorporated in Great Britain. Copies of the financial statements of Anglo American plc can be obtained from 20 Carlton House Terrace, London, SW1Y 5AN.

The immediate parent company was Anglo American Finance (UK) Limited, who acquired the shares in Tarmac Building Products Limited from Tarmac Limited on 26 October 2012.

24. Post balance sheet event

On 31 March 2014 Lafarge Tarmac Holdings Limited ("Lafarge Tarmac"), a joint venture between Anglo American Finance (UK) Limited and Lafarge UK Holdings Limited, acquired the entire share capital of Tarmac Building Products Limited.

In April 2014, Lafarge SA, who ultimately own 50% of Lafarge Tarmac, announced its intention to combine with another global cement and aggregates business, Holcim. As part of the proposed Lafarge Holcim transaction, a proposed list of divestments to meet potential competition authorities' requirements was announced on 7 July 2014. This includes the intention to sell Lafarge Tarmac. The proposal, subject to completion of the Lafarge Holcim transaction, is that Anglo American, who ultimately own the remaining 50% of Lafarge Tarmac, will sell its 50% share in Lafarge Tarmac to Lafarge SA for a minimum value of £885 million. The proposal is then that Lafarge SA will sell the entire issued share capital of Lafarge Tarmac as a going concern. Lafarge Holcim have indicated a proposed timeline of H1 2015.