

Registered number  
02747203

## Mendip Rail Limited

Annual report and financial statements  
for the year ended 31 December 2012

THURSDAY



A41

\*A2HPPGA0\*

26/09/2013

#478

COMPANIES HOUSE

**Mendip Rail Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2012**

	<b>Page</b>
Directors and advisors	1
Directors' report for the year ended 31 December 2012	2
Independent auditors' report to the members of Mendip Rail Limited	5
Profit and loss account for the year ended 31 December 2012	6
Balance sheet as at 31 December 2012	7
Cash flow statement for the year ended 31 December 2012	8
Notes to the financial statements for the year ended 31 December 2012	9

**Mendip Rail Limited**  
**Directors and advisors**

**Directors**

Andrew Bridge  
Laurence Quinn  
Philippe Frenay  
Simon Blake  
Tim Jackson  
Jocelyn Morris  
Phillip Redmond

**Secretary**

J Lowe

**Independent Auditors**

Ernst & Young LLP  
No 1 Colmore square  
Birmingham  
B4 6HQ

**Registered office**

Bardon Hall  
Copt Oak Road  
Markfield  
Leicestershire  
LE67 9PJ

**Registered number**

02747203

**Mendip Rail Limited**  
**Directors' report**  
**for the year ended 31 December 2012**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2012

**Principal activities and future developments**

The principal activity of the company is the haulage of aggregate by rail. The directors expect it to continue to be so for the foreseeable future.

The directors have considered the budget for the next 12 months and the ability of the Company to meet its liabilities as they fall due. As a result the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

**Results and dividends**

The profit for the financial year after tax amounted to £51,000 (2011: £1,103,000). The directors paid a dividend of £2,000,000 during the year (2011: nil).

**Review of the business**

Trading has progressed satisfactorily and is in line with expectations.

The Company's key financial and other performance indicators during the year were as follows:

	2012	2011	Change
	£'000	£'000	%
Turnover	20,927	23,589	(11%)
Operating profit (excl. depreciation)	76	1,504	(95%)
Net Assets	2,270	4,219	(46%)

Turnover from ongoing operations of £20.9m represents a reduction of 11% compared with 2011, this was due to a reduction in the overall construction market and in particular was adversely affected by the London 2012 Olympics.

Operating profit (excluding depreciation) reduced to £76,000. This was a result of reduced demand.

Net assets reduced by £1,949,000 compared with prior year due to reduced inventory and dividend distribution to shareholders.

The directors expect overall operations to remain profitable in 2013, overall demand is forecast to reduce slightly relative to 2012.

Health and Safety and Environmental issues have been and will continue to be a key focus for the company.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the company are broadly grouped as economic risks, legislative risks, weather risks, energy costs and financial risks.

**Economic Risks**

Demand for our services is linked to the need for aggregate in London and the South East. Depressed economic conditions in those areas, particularly linked to housing and road maintenance, could have a detrimental impact on demand for our transport services, which could result in reduced sales and profits.

**Legislative Risks**

In the UK construction products are sold to locally and nationally imposed standards. Failure to comply with the standards could materially affect the Company's ability to operate.

There is now no indication that in the short term the legislative environment is posing a risk in this area.

**Mendip Rail Limited**  
**Directors' report**  
**for the year ended 31 December 2012**

**Principal Risks and Uncertainties** *(continued)*

**Weather Risks**

Periods of inclement weather can reduce the demand for aggregates or added-value products, and the need for transportation of aggregate, and thereby could potentially reduce our sales and profits

**Energy Costs**

Fuel is a significant element of the company's costs. Increases in fuel prices can have a large impact on profitability, although the company has the ability to negotiate price increases with its customers at any time

**Financial Risks**

The company's main customers are its shareholders, which has led historically to a very small bad debt risk. The company achieves good cash flow and is expecting to remain in this position through 2012

**Directors**

The following directors held office during the year and subsequently

Guy Edwards	(resigned 20 February 2013)
Andrew Bridge	
Brian Charleton	(appointed 1 January 2012, resigned 8 March 2013)
Laurence Quinn	(appointed 12 January 2011, resigned 31 January 2012, appointed 20 February 2013)
Simon Marriott	(appointed 1 July 2011, resigned 31 January 2012)
Mark Atkinson	(appointed 1 January 2012, resigned 8 March 2013)
Philippe Frenay	
Simon Blake	(appointed 1 January 2012)
Tim Jackson	(appointed 20 November 2012)
Jocelyn Morris	(appointed 9 March 2013)
Phillip Redmond	(appointed 9 March 2013)

**Directors' qualifying third party indemnity provisions**

The company has granted an indemnity to one or more of its directors 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 remains in force as at the date of approving the directors' report

**Charitable donations**

Contributions to charities amounted to nil (2011 £1,229)

**Statement of disclosure of information to auditors**

In respect of each of those persons who was a director of the company at the date at which the directors' report was approved

- a) So far as each director is aware, there is no relevant information of which the company's auditors are unaware, and
- b) Each director has taken all the steps they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and establish that the company's auditors are aware of that information

**Mendip Rail Limited  
Directors' report (continued)  
for the year ended 31 December 2012**

**Auditors**

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the company

**Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

This report was approved by order of the board



T Jackson  
On behalf of Mendip Rail Limited  
Director  
21 June 2013

**Independent auditors' report  
to the members of Mendip Rail Limited**

We have audited the financial statements of Mendip Rail Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account the Balance Sheet the Cash Flow Statement and the related notes 1 to 21. 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 auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 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 and financial statements to identify material inconsistencies with the audited financial statements. 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 2012 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

**Opinion on other matters prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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

*Ernor & Young LLP*

Steven Bagworth (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditors  
Birmingham

3 July 2013

**Mendip Rail Limited**  
**Profit and loss account**  
**for the year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
<b>Turnover</b>	2	<b>20,927</b>	23 589
Cost of sales		<b>(20,216)</b>	(21,557)
<b>Gross profit</b>		<u>711</u>	<u>2 032</u>
Administrative expenses		<b>(644)</b>	(605)
Other income		-	73
<b>Operating profit</b>	4	<u>67</u>	<u>1 500</u>
Interest receivable and similar income	5	<b>2</b>	1
Interest payable and similar charges		<b>(1)</b>	-
<b>Profit on ordinary activities before taxation</b>		<u>68</u>	<u>1 501</u>
Tax on profit on ordinary activities	6	<b>(17)</b>	(398)
<b>Profit for the financial year</b>	13 14	<u><b>51</b></u>	<u>1,103</u>

There were no recognised gains or losses in either the current or previous year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

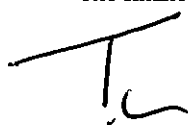
There are no differences between the results disclosed and their historical cost equivalents



**Mendip Rail Limited**  
 Company Registration No 02747203  
**Balance sheet**  
 as at 31 December 2012

	Note	2012 £'000	Restated 2011 £'000
<b>Fixed assets</b>			
Tangible assets	7	<u>422</u>	<u>459</u>
		422	459
<b>Current assets</b>			
Stock	8	667	987
Debtors	9	4,339	4,858
Cash at bank and in hand		<u>2,883</u>	<u>4,739</u>
		7,889	10,584
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,037)</u>	<u>(6,824)</u>
<b>Net current assets</b>		1,852	3,760
<b>Provisions for liabilities</b>	11	(4)	-
<b>Net assets</b>		<u>2,270</u>	<u>4,219</u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	2,269	4,218
<b>Total shareholders' funds</b>	14	<u>2,270</u>	<u>4,219</u>

The financial statements were approved by the board of directors on 21 June 2013 and were signed on its behalf by



T Jackson  
 Director

**Mendip Rail Limited**  
**Cash flow statement**  
**for the year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	15	76	1,640
<b>Return on investments and servicing of finance</b>			
Dividends paid		(2,000)	-
Interest paid		(1)	-
Interest received		2	1
Net cash (out)/inflow from returns on investments and servicing of finance		(1,999)	1
<b>Taxation</b>		-	-
<b>Capital expenditure and financial investment</b>			
Proceeds from sale of fixed assets		67	-
Net cash inflow for capital expenditure and financial investment		67	-
(Decrease)/ increase in cash	16	(1,856)	1,641

**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

**1 Accounting policies**

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

***Basis of preparation***

These financial statements have been prepared on the going concern basis, in accordance with Companies Act 2006 and applicable UK accounting standards under the historical cost accounting rules

As described in note 21, the comparatives have been restated to reflect the change in accounting policy for critical spare parts

***Going concern***

The directors have considered the budget for the next 12 months and the ability of the Company to meet its liabilities as they fall due. As a result the directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements

***Turnover***

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

***Tangible fixed assets***

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

Vehicles	- 3 years
Plant and equipment	- 3 -5 years
Improvement to leasehold property	- 5 years

Where a vehicle spare part is deemed to be critical to the continuing operation of the business and is above a de minimis threshold, that part is capitalised within vehicles as a non depreciating asset. The asset is then depreciated once it is put into use

***Leases***

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the profit and loss account

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term

***Stock***

Stock is valued at the lower of cost and net realisable value. In determining the cost of stock the weighted average purchase price is used

***Pension funds***

The company contributes to personal pension funds of the employees. Contributions are charged to the profit and loss account as they become payable

***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

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

***Cash and short-term deposits***

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

Mendip Rail Limited  
Notes to the financial statements  
for the year ended 31 December 2012

2 Turnover

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

3 Employees and directors

	2012 £'000	2011 £'000
Wages and salaries	795	785
Social security costs	84	102
Pension costs	64	76
	<u>943</u>	<u>963</u>

The average number of employees during the year was made up as follows

	2012 Number	2011 Number
Employees	<u>24</u>	<u>25</u>
	24	25

The aggregate emoluments of the directors of the company were

	2012 £'000	2011 £'000
Directors' emoluments	-	116
Company contributions to money purchase pension schemes	-	22
	<u>-</u>	<u>138</u>

Number of directors benefiting from payments into personal pension

<u>-</u>	<u>1</u>
----------	----------

Certain directors of the company are remunerated by Aggregate Industries UK Limited and Hanson Quarry Venture Products Limited. The directors consider that the amount of time spent on the entity is inconsequential, and therefore no remuneration is disclosed. No recharge of directors remuneration has been made by Aggregate Industries UK Limited and Hanson Quarry Venture Products Limited.

4 Operating profit

	2012 £'000	2011 £'000
This is stated after charging		
Auditors' remuneration - audit	13	13
Depreciation of owned fixed assets	9	4
Rental of land and buildings	107	107
Operating lease payments - plant and equipment	<u>4,005</u>	<u>4,251</u>

5 Interest receivable and similar income

	2012 £'000	2011 £'000
Bank interest receivable	<u>2</u>	<u>1</u>
	2	1

**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

6 Taxation	2012 £'000	2011 £'000
<b>UK corporation tax</b>		
Current tax	-	352
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>352</u>
<b>Deferred tax (note 11)</b>		
Origination and reversal of timing differences	17	48
Adjustments in respect of prior years	-	(2)
	<u>17</u>	<u>46</u>
<b>Tax on profit on ordinary activities</b>	<u>17</u>	<u>398</u>

**Factors affecting the tax charge for the current year**

The current tax charge for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

Current tax reconciliation	2012 £'000	2011 £'000
Profit on ordinary activities before tax	68	1,501
Current tax at 24.5% (2011 26.5%)	<u>17</u>	<u>398</u>
<b>Effects of</b>		
Accelerated capital allowances	(20)	(2)
Other timing differences	1	(7)
Utilisation of tax losses	-	(37)
Recognition of tax losses	2	-
<b>Total current tax</b>	<u>-</u>	<u>352</u>

The standard rate of UK Corporation tax was 26% at the start of the year. On 21 March 2012 the UK Chancellor announced a reduction in the tax rate to 24% effective from 1 April 2012 and further reductions of 1% each year to a final rate of 22% in 2014. On 5 December 2012, the UK Chancellor announced a further reduction in the tax rate to 21% effective from 1 April 2014.

At the balance sheet date a rate of 23% was substantively enacted, to come into effect from 1 April 2013.

**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

**7 Tangible fixed assets**

	Vehicles £000	Plant and Equipment £000	Improvements to Leasehold Property £000	Total £000
<b>Cost</b>				
At 1 January 2012 as originally stated	134	166	63	363
Prior year adjustment	457	-	-	
At 1 January 2012 as restated	591	166	63	820
Additions	39	-	-	39
Disposals	(67)	-	-	(67)
At 31 December 2012	<u>563</u>	<u>166</u>	<u>63</u>	<u>792</u>
<b>Depreciation</b>				
At 1 January 2012	132	166	63	361
Charge for the year	9	-	-	9
At 31 December 2012	<u>141</u>	<u>166</u>	<u>63</u>	<u>370</u>
<b>Net book value</b>				
At 31 December 2012	<u>422</u>	<u>-</u>	<u>-</u>	<u>422</u>
At 31 December 2011 as restated	<u>459</u>	<u>-</u>	<u>-</u>	<u>459</u>

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

The vehicles opening balance has been restated for the change in accounting policy on critical spares - see note 21

**8 Stock**

	2012 £'000	Restated 2011 £000
Locomotive spares, wagon spares and tool stocks	667	987
	<u>667</u>	<u>987</u>

**9 Debtors**

	2012 £'000	2011 £000
Trade debtors	998	990
Amounts due from group undertakings	3,222	3,809
Prepayments	119	46
Deferred tax (note 11)	-	13
	<u>4,339</u>	<u>4,858</u>

**10 Creditors amounts falling due within one year**

	2012 £'000	2011 £000
Trade creditors	4,260	4,148
Amounts due to group undertakings	1,046	1,373
Corporation tax	352	352
Other taxes and social security	272	200
Other creditors	34	89
Accruals and deferred income	73	662
	<u>6,037</u>	<u>6,824</u>

**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

**11 Deferred tax balance**

	2012 £'000	2011 £'000
At 1 January	13	59
Charged to profit and loss account	(17)	(46)
At 31 December	<u>(4)</u>	<u>13</u>
Tax effect of timing differences because of		
Accelerated capital allowances	(7)	13
Other timing differences	1	-
Tax losses carried forward	2	-
	<u>(4)</u>	<u>13</u>

**12 Share capital**

	2012 £	2011 £
<i>Authorised, allotted, called up and fully paid</i>		
500 Ordinary "A" shares of £1 each	500	500
500 Ordinary "B" shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

Ordinary "A" and "B" shares were issued at par and enjoy equivalent voting rights and rights to dividends and amounts receivable on a winding up

**13 Reserves**

	Profit and loss account £'000
At 1 January 2012	4,218
Profit for the year	51
Dividends	(2,000)
At 31 December 2012	<u>2,269</u>

**14 Reconciliation of movement in total shareholders' funds**

	2012 £'000	2011 £'000
Profit for the financial year	51	1,103
Dividends paid	(2,000)	-
Net (reduction)/increase in total shareholders' funds	<u>(1,949)</u>	<u>1,103</u>
Opening total shareholders' funds	4,219	3,116
Closing total shareholders' funds	<u>2,270</u>	<u>4,219</u>

**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

**15 Cash flow from operating activities**

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £'000	2011 £'000
Operating profit	67	1,500
Depreciation charge	9	4
Decrease/(increase) in stock	281	(105)
Decrease/(increase) in debtors	506	(1,391)
(Decrease)/increase in creditors	(787)	1,632
<b>Net cash inflow from operating activities</b>	<b>76</b>	<b>1,640</b>

**16 Reconciliation of movement in net cash**

	As at 1 Jan 2012 £'000	Cash flow £'000	As at 31 Dec 2012 £'000
Cash in bank and in hand	4,739	(1,856)	2,883
	<u>4,739</u>	<u>(1,856)</u>	<u>2,883</u>

**17 Personal pensions funds**

The company contributes to the personal pension funds of the employees. The assets of these funds are held separately from those of the company in individually administered funds. The unpaid contributions outstanding at the year end, included in creditors are £6k (2011: £nil).

**18 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases expiring as set out below

	2012 £'000	2011 £'000
Land and Building within one year	<u>159</u>	<u>107</u>
Plant and Machinery within one year	1,400	2,617
within two to five years	729	1,467
in over five years	<u>284</u>	<u>347</u>



**Mendip Rail Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2012**

**19 Related parties**

Transactions with related parties include only those with the parent undertakings and are disclosed as follows

	Sales £'000	Purchases £'000
<b>2011</b>		
Hanson Aggregates Limited	9,590	1,821
Aggregate Industries UK Limited	<u>12,043</u>	<u>2,540</u>
<b>2012</b>		
Hanson Aggregates Limited	9,273	1,775
Aggregate Industries UK Limited	<u>10,777</u>	<u>1,842</u>

Amounts outstanding as at 31 December 2011 were as follows

	Debtors £'000	Creditors £'000
Hanson Aggregates Limited	128	691
Aggregate Industries UK Limited	<u>3,681</u>	<u>682</u>

Amounts outstanding as at 31 December 2012 were as follows

Hanson Aggregates Limited	591	550
Aggregate Industries UK Limited	<u>2,631</u>	<u>496</u>

Aggregate Industries UK Ltd owns 100% of the share capital of Foster Yeoman Ltd

**20 Parent and ultimate parent company**

The company is jointly controlled by Foster Yeoman Limited and Hanson Quarry Products Ventures Limited

The ultimate parent undertaking of Foster Yeoman Limited is Holcim Ltd which is incorporated in Switzerland

Copies of the accounts of Holcim Ltd are available on [www.holcim.com](http://www.holcim.com) or from Holcim Ltd Corporate Communications, Zurcherstrasse 156, CH-8645 Jona, Switzerland

The ultimate parent undertaking of Hanson Quarry Product Ventures Limited is Heidelberg Cement AG, which is registered in Germany

Copies of the accounts of Heidelberg Cement AG may be obtained from Berliner Strasse 6 D-69120, Heidelberg, Germany

**21 Prior year adjustment**

During the year the company has changed its accounting policy for critical spare parts, where a spare part is deemed to be critical by management, has a useful economic life of more than 12 months and is above the capitalisation threshold, the part is capitalised within fixed assets. Previously the part would be held within stock

	Stock	Tangible fixed assets
Balance as previously stated 31 December 2011	1,444	2
Prior year adjustment	<u>(457)</u>	<u>457</u>
<b>Balance as restated 31 December 2011</b>	<u>987</u>	<u>459</u>

There is no material impact on the profit for the prior year