

**LAFARGE INTERNATIONAL HOLDINGS  
LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2017**

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# **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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# **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

J Atherton-Ham  
S Crossley  
L Jacques  
H B Möller  
D Forder (appointed 12 January 2018)  
M Unternährer

### **COMPANY SECRETARY**

H B Möller

### **REGISTERED OFFICE**

Park Lodge  
London Road  
Dorking  
Surrey  
RH4 1TH  
United Kingdom

### **INDEPENDENT AUDITOR**

Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

# **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **STRATEGIC REPORT**

The directors present the Strategic report for the year ended 31 December 2017.

### **PRINCIPAL ACTIVITIES**

The Company is a holding company for investment in domestic and overseas subsidiaries and associated companies.

### **FUTURE DEVELOPMENTS**

It is expected that the Company will continue to act as an investment holding company for the foreseeable future.

### **BUSINESS REVIEW**

The Company is a holding company for investment in domestic and overseas subsidiaries either directly or through its wholly owned subsidiaries Lafarge Redland Readymix Limited and Blue Circle International Holdings BV, and will continue to act as such for the foreseeable future. The Company does not actively trade and is an indirect wholly owned subsidiary of LafargeHolcim Limited.

The Company's main source of income is interest on (a) a long term fixed rate deposit of £293m with Lafarge S.A. (b) loan of £450m advanced to Lafarge Minerals Limited, another group undertaking and (c) net pension interest earned on pension assets.

The Company's loss after tax for the year is £108,621,000 (2016: profit of £19,989,000) as detailed in the Profit and Loss account on page 10. This amount includes an impairment of £116,395,000 (2016: £Nil) (see note 9).

The Company received a liquidation dividend of £422,000 from two subsidiaries and paid a dividend of £422,000 to its sole shareholder.

The Company is also the sponsor of the Lafarge UK Pension Plan and funds the Pension Fund deficit on an annual basis. The Company has recorded a Pension fund asset (gross of deferred tax) of £226,200,000 as at 31 December 2017 (2016: pension fund asset £214,700,000).

### **POST BALANCE SHEET EVENT**

The £293m loan to Lafarge SA (see note 10) was repaid on 24 September 2018 and loaned to a fellow group company, Holcim Participation UK Ltd, at a rate of 2.92% for a period of 7 years to mature on 23 September 2025.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's principal risks are as follows:-

#### **Credit Risks**

The Company's principal assets are investments in overseas and associated companies. The Company also has receivables that primarily relate towards other group companies. Any impairment arising on these is recognised based on comparisons to fair value or net assets of these undertakings.

#### **Liquidity Risks**

The Company's funding requirements are under constant review. All funding is done through Lafarge Minerals Limited or other UK group related companies either on a short term loan basis or through the cash pooling arrangement, and is ultimately funded by LafargeHolcim Limited.

#### **Currency Risks**

The Company has minimal currency risk, and where any exposures exist, these are hedged directly with Group.

# **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **KEY PERFORMANCE INDICATORS**

Key performance indicators are not considered necessary for an understanding of the development, performance or position of the Company, due to the nature of its operations as a holding company.

By Order of the Board



Howard Möller  
Director

31 October 2018

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2017. The financial risk management policies referred to in the Strategic report under principal risks and uncertainties and the future developments referred to in the Strategic report also form part of Directors' report by cross-reference.

### DIRECTORS

The directors who held office throughout the year and to the date of this report, except where otherwise stated, are as follows:

J Atherton-Ham	
K Boldt	(resigned 31 May 2018)
L Jacques	(appointed 31 May 2018)
S Crossley	
H B Möller	
O Templar-Coates	(resigned 12 January 2018)
D Forder	(appointed 12 January 2018)
M Unternährer	
G Vanlerberghe	(resigned 8 March 2018)

The Articles of Association of the Company contain an indemnity in favour of all of the directors of the Company that, subject to law, indemnifies the directors from the assets of the Company against any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

### GOING CONCERN

The directors have considered the going concern assumption in preparing these financial statements. The net asset value of the company at the year-end is £1,924,011,000 (2016: £2,026,829,000). The Company operates as part of the LafargeHolcim Limited cash pooling arrangement. Each company participating in the cash pooling arrangement has a memorandum balance, with the true balance at bank being the sum of all of the memorandum balances. While the overall balance at bank in the cash pool is usually maintained as a positive cash balance, there are points in time during which the overall balance may temporarily fall into an overdraft position. The nature of the cash pooling arrangement increases the risk to the Company of withdrawing cash balances in full on demand, in the event of other LafargeHolcim companies having overdraft positions. The directors do not consider that this presents a material risk to the Company regarding the availability of cash balances to continue operations under the normal course of business.

After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### DIVIDENDS

The directors paid a dividend of £422,000 for the year ended 31 December 2017 (2016: £nil). The dividend was received from two wholly owned subsidiaries which have been placed in liquidation.

## **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **AUDITOR**

Each person 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 are deemed to be reappointed pursuant to s487 of Companies Act 2006.

By Order of the Board



Howard Möller  
Director

3, October 2018

# **LAFARGE INTERNATIONAL HOLDINGS 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), 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 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.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

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

We have audited the financial statements of Lafarge International Holdings Limited (the 'company') which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

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

We have nothing to report in respect of these matters.

### **Other information**

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAFARGE INTERNATIONAL HOLDINGS LIMITED (CONTINUED)**

## **Other information (continued)**

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

We have nothing to report in respect of these matters.

## **Responsibilities of directors**

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Report on other legal and regulatory requirements**

### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

# **LAFARGE INTERNATIONAL HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAFARGE INTERNATIONAL HOLDINGS LIMITED (CONTINUED)**

### **Use of our report**

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



31 October 2018

Peter Gallimore FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2017

	Note	2017 £000	2016 £000
Administrative expenses		(2,788)	(2,849)
<b>OPERATING LOSS</b>	4	(2,788)	(2,849)
(Loss)/gains on exchange		(37)	242
Impairment on investments		(116,395)	-
Interest receivable and similar income	5	100,283	127,068
Interest payable and similar charges	6	(88,210)	(102,711)
Dividends received		422	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		(106,725)	21,750
Tax on (loss)/profit	7	(1,896)	(1,761)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>		(108,621)	19,989

All activities derive from continuing operations.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 £000	2016 £000
(Loss) / Profit for the financial year	(108,621)	19,989
Actuarial gains on pension scheme	7,500	72,900
Movement on deferred tax asset relating to pension scheme	(1,275)	(13,122)
<b>Other comprehensive income for the year</b>	6,225	59,778
<b>Total comprehensive (loss)/ income for the year</b>	(102,396)	79,767

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## BALANCE SHEET As at 31 December 2017

	Note	2017 £000	2016 £000
<b>FIXED ASSETS</b>			
Investments	9	967,516	1,083,708
Retirement benefit asset	14	226,200	214,700
		<u>1,193,716</u>	<u>1,298,408</u>
<b>CURRENT ASSETS</b>			
Stock		-	1
Debtors: amounts falling due within one year	10	751,159	748,513
Cash at bank and in hand	11	20,599	20,930
		<u>771,758</u>	<u>769,444</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(2,657)</u>	<u>(4,139)</u>
<b>NET CURRENT ASSETS</b>		769,101	765,305
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,962,817	2,063,713
Provision for liabilities	13	<u>(38,806)</u>	<u>(36,884)</u>
<b>NET ASSETS</b>		<u>1,924,011</u>	<u>2,026,829</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,680,000	1,680,000
Profit and loss account		244,011	346,829
<b>SHAREHOLDERS' FUNDS</b>		<u>1,924,011</u>	<u>2,026,829</u>

The financial statements of Lafarge International Holdings Limited, registered number 00514387, were approved by the board of directors and authorised for issue on 3 October 2018.



Howard Möller  
Director

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY As at 31 December 2017

	Called up share capital £000	Profit and loss account £000	Total £000
<b>At 1 January 2016</b>	1,680,000	267,062	1,947,062
Profit for the financial year	-	19,989	19,989
Actuarial gains on pension scheme	-	72,900	72,900
Movement on deferred tax asset relating to pension scheme	-	(13,122)	(13,122)
<b>At 31 December 2016</b>	<u>1,680,000</u>	<u>346,829</u>	<u>2,026,829</u>
Loss for the financial year	-	(108,621)	(108,621)
Dividend paid		(422)	(422)
Actuarial gains on pension scheme	-	7,500	7,500
Movement on deferred tax asset relating to pension scheme	-	(1,275)	(1,275)
<b>At 31 December 2017</b>	<u><u>1,680,000</u></u>	<u><u>244,011</u></u>	<u><u>1,924,011</u></u>

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

### 1. GENERAL INFORMATION

Lafarge International Holdings Limited (the Company) is a private company limited by shares and registered in England, United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC).

#### ADOPTION OF NEW AND REVISED STANDARDS

##### Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current period, the Company has adopted the following Standards and Interpretations with no material impact on the Financial Statements:

##### Amendments

IAS 7	Disclosure Initiative
IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Company which have not been applied in these financial statements were in issue but are not yet effective:

##### New or revised standards:

IFRS 9 Financial Instruments  
IFRS 15 Revenue from Contracts with Customers  
IFRS 16 Leases

##### Amendments:

IFRS 2 Classification and Measurement of Share based Payment Transactions  
IFRS 15 Clarifications to IFRS 15 'Revenue from Contract with Customers'  
IFRIC 22 Foreign Currency Transactions and Advance Consideration  
Various Annual Improvements to IFRS standards 2014-2016 cycle  
Various IFRS 10, IFRS 12 and IAS 28 Investment Entities, Applying for Consolidation Exception

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, impairment of assets, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, related party transactions and remuneration of key management personnel.

Where relevant, equivalent disclosures have been given in the group financial statements of LafargeHolcim Limited. The group financial statements of LafargeHolcim Limited are available to the public and can be obtained as set out in note 20.

The Company's results are included in the consolidated financial statements of LafargeHolcim Limited, a Company registered in Switzerland. Accordingly, the Company has taken advantage of the exemption given in s401 of the Companies Act 2006 from preparing and delivering group financial statements. The financial statements therefore disclose information about the Company and not about the group.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of accounting (continued)

The financial statements have been prepared on the historical cost basis except for financial instruments and pension assets that are measured at fair value at the end of each reporting period, as explained in accounting policies below. 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. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

#### Going concern

The directors have considered the going concern in preparing these financial statements. The net asset value of the company at the year-end is £1,924,011,000 (2016: £2,026,829,000). The Company operates as part of the LafargeHolcim Limited Group cash pooling arrangement. After making enquiries, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Also refer Strategic report on page 4.

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### 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.

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



# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

##### *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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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.

##### **Foreign currencies**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks.

##### **Dividends**

Dividends from subsidiary undertakings, associated undertakings and other investments are included when received, and if declared in respect of their accounting periods ending on or before the Company's year end and are legally binding.

##### **Investments**

Investments in group companies and participating interests are stated at cost, less amounts provided in respect of any impairment in their value.

At each balance sheet date the directors review the carrying amount of its investments to determine whether there is any indication that the investment suffered an impairment loss. Such indicators includes among others; the subsidiary generating losses and doubts over the going concern. If such indication exist, the recoverable amount is estimated to determine the extent of the impairment loss (if any).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2017**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Financial assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**Loans and receivables**

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised less any impairment.

**Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**Defined Benefit Pension Costs**

Defined benefit – the difference between the fair values of the assets held in the company's defined benefit pension schemes and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the company's balance sheet as a pension scheme asset or liability as appropriate.

The amounts charged to the profit and loss account as part of staff costs are the costs arising from employee services rendered in the period. The net interest income on the net defined benefit asset is recorded as other finance income in the profit and loss account. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit asset) are recognised immediately in other comprehensive income.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### *Critical judgements in applying the company's accounting policies*

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **Impairment of investments in subsidiaries**

Determining whether the Company's investment in associates have been impaired is based on comparing the current investment cost to its value in use. If there is an indication of impairment, it is provided for in full. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present values. The calculation used cash flow projections from financial budgets approved by senior management covering three year period extrapolated to 5 years. The discount rate applied to pre-tax cash flow projections is the Company's pre-tax cost of capital of 6.6%.

During the year the investments were written down by £116,395,000 (2016: Nil) due to the impairment of (a) Hereford Recycling Ltd for £207,000, and Tunnel Building Products Ltd for £67,000 which are both being liquidated, (b) Redland Brow Landfill Inc for £926,000 which is a clean-up operation and generates no income, and (c) Blue Circle International Holdings BV investment in Associated International Cement Limited for £115,195,000 as a result of poor trading performance. There were no impairments in 2016.

#### **Pensions**

The Company maintains a defined benefit pension plan for which it has recorded a pension asset at the end of the year. The pension asset is based on an actuarial assessment that requires a number of assumptions including discount rate, mortality rates and return on plan assets that may necessitate material adjustments to this asset in the future. The assumptions used are the best estimates based on historical trends and the composition of the membership. Details of the principal actuarial assumptions used in calculating the recognised asset for the defined benefit plan are given in note 14. The value of the assets may also change materially from year to year.

### 4. OPERATING LOSS

The Company had no employees during the year (2016: nil).

No director received any remuneration from the Company (2016: £nil). They are regarded as group employees and paid by a fellow group undertaking, Lafarge Building Materials Limited.

The auditor's remuneration for the years ended 31 December 2017 of £4,100 (2016: £4,100) is borne by a fellow group undertaking, Lafarge Building Materials Limited. There were no non-audit fees in both the years.

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £000	2016 £000
Interest receivable and similar income from group undertakings	6,283	19,168
Expected return on pension scheme assets	94,000	107,900
	<u>100,283</u>	<u>127,068</u>

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Other interest payable and similar charges	10	11
Interest costs on pension scheme liabilities	88,200	102,700
	<u>88,210</u>	<u>102,711</u>

### 7. TAX ON (LOSS)/ PROFIT

#### (a) Tax on (loss)/profit

	2017 £000	2016 £000
<b>Current tax</b>		
United Kingdom corporation tax at 19.25 % (2016: 20.00%) based on the profit for the year	1,138	3,332
Prior year adjustment	78	-
<b>Total current tax</b>	<u>1,216</u>	<u>3,332</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	680	(1,571)
<b>Total deferred tax charge</b>	<u>680</u>	<u>(1,571)</u>
<b>Total tax charge</b>	<u>1,896</u>	<u>1,761</u>

#### (b) Factors affecting current tax for the year

The tax assessed for the year differs to that resulting from applying the standard rate of corporation tax in the UK: 19.25% (2016: 20.00%). The differences are explained below:

	2017 £000	2016 £000
(Loss)/ Profit before taxation	(106,725)	21,750
Tax charge on profit at standard rate	(20,545)	4,350
Effects of:		
Disallowed expenses	22,534	62
Non-taxable income	(171)	(366)
Tax Rate Changes	-	(2,211)
Group relief not paid for	-	(74)
Prior year adjustment	78	-
<b>Total tax for the year</b>	<u>1,896</u>	<u>1,761</u>

A deferred tax asset of £102,506,812 (2016: £102,506,812) has not been recognised in respect of timing differences relating to capital losses as there is insufficient evidence that the asset will be recovered.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 7. TAX ON (LOSS)/ PROFIT (CONTINUED)

#### (c) Factors that may affect future tax charge

Finance (No 2) Act 2015 reduced the standard rate of corporation tax from its current level of 20% to 19% from April 2017 and 18% from April 2020. In September 2016, the Government enacted the Finance Act 2016, which further reduces the standard rate of corporation tax to 17% from April 2020. As these changes had been substantially enacted at the balance sheet date, the deferred tax assets and liabilities included in these financial statements have been calculated using these rates based on when the temporary differences are expected to reverse.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax as at 31 December 2017 has been calculated at a rate of 17% (2016: 17%).

### 8. DIVIDENDS PAID

The directors do not propose a final dividend for the year ended 31 December 2017 (2016: £nil).

Lafarge Finance Limited has waived the rights for the foreseeable future to receive any dividends on the 40,000,000 3.38% Preference 'A' Shares of £200,000,000 with effect from 20 December 2012.

The company paid a dividend of £422,000 to Lafarge Building Materials Ltd which it had received from Hereford Recycling Ltd (£207,000) and Tunnel Building Products Ltd (£215,000) having declared final dividends in advance of being liquidated.

### 9. INVESTMENTS HELD AS FIXED ASSETS

	Shares in group undertakings
<b>Cost</b>	
At 1 January 2017	1,211,351
Additions	203
	<hr/>
At 31 December 2017	1,211,554
	<hr/>
<b>Provisions</b>	
At 1 January 2017	(127,643)
Impairment	(116,395)
	<hr/>
At 31 December 2017	(244,038)
	<hr/>
<b>Net book value</b>	
At 31 December 2017	(967,516)
	<hr/>
At 31 December 2016	1,083,708
	<hr/>

Details of group undertakings are given in note 16.

During the year the investments in Redland Brow Landfill Inc. were increased by £203,000 (2016: £145,000).

During the year the investments were written down by £116,395,000 (2016: Nil) due to the impairment of (a) Hereford Recycling Ltd for £207,000, and Tunnel Building Products Ltd for £67,000 which are both being liquidated, (b) Redland Brow Landfill Inc for £926,000 which is a clean-up operation and generates no income, and (c) Blue Circle International Holdings BV investment in Associated International Cement Limited for £115,195,000 as a result of poor trading performance.

There were no impairments in 2016.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 10. DEBTORS

	2017 £000	2016 £000
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Amount owed by fellow group undertakings	750,982	748,293
Prepaid expenses	156	216
Other debtors	21	4
	<u>751,159</u>	<u>748,513</u>

This includes an amount of £456,629,000 (2016: £453,970,000) including accrued interest of £666,000 (2016: £723,000) advanced to Lafarge Minerals Limited, another group undertaking at an interest rate of  $\text{libor} + 0.25\%$  and £293,933,000 (2016: £293,787,000) including accrued interest of £220,000 (2016: £74,000) advanced to Lafarge SA at a 2 year interest rate maturing 15 December 2018.

The £456m loan has no fixed maturity and is repayable on demand subject to a minimal notice period, and the £293m loan which was due to mature on 15 December 2018 was repaid early on 24 September 2018 and loaned to another group undertaking.

The prior year numbers have been reclassified to conform to CT groupings.

### 11. CASH AT BANK AND IN HAND

The balance shown in the financial statements related to a memorandum account being the Company's portion of a group bank account in the name of Lafarge Minerals Limited, a fellow subsidiary.

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	2016 £000
Loans from group undertaking	-	207
Other creditors	153	-
Amounts owed to group companies	306	-
Group relief	1,138	3,315
Bank overdraft	1,060	617
	<u>2,657</u>	<u>4,139</u>

The amounts owed to group companies are non-interest bearing and repayable on demand.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 13. PROVISION FOR LIABILITIES

	2017 £000	2016 £000
Litigation provision	352	385
Deferred tax (note 14)	38,454	36,499
	<u>38,806</u>	<u>36,884</u>
	2017 £000	2016 £000
Litigation provision		
At 1 January	385	40
Provided in the year	352	385
Utilised in year	(385)	(40)
At 31 December	<u>352</u>	<u>385</u>

The provision relates to litigation costs arising from the disposal of the roofing business (Monier) in 2007. No provision has been included in respect of compensation from this litigation as following legal advice the cost for the same could not be determined (also refer note 17).

### 14. PENSION SCHEME

On 26 January 2012 the Company entered into a Deed of Amendment, Participation and Apportionment (the 'Deed of Amendment') with Lafarge S.A. and Lafarge UK Pension Trustees Limited (the 'Trustee') in respect of the following:

- (i) The admission of the Company as a new participating employer to the Lafarge UK Pension Plan (the 'Plan') with effect from 31 October 2011; and
- (ii) The apportionment of the liabilities under the Plan of exiting employers (Lafarge Cement UK Limited, Lafarge Aggregates Limited, Lafarge UK Services Limited, Scotash Limited, Sapphire Energy Recovery Limited, Lafarge Plasterboard Limited and Redland International Management Services Limited) of the Plan to the Company by way of a Scheme Apportionment Arrangement, effective 26 January 2012.

On entering into the Scheme Apportionment Arrangement the Company is liable to meet the employer contributions due to the Plan under the Schedule of Contributions including any Recovery Plan and any other employer obligations under the Plan's Trust Deed and Rules.

A separate agreement between the Trustee and Lafarge S.A. was entered into on 26 January 2012, which imposes legally binding contractual commitments on Lafarge S.A. to make payments to the Plan where the Company has failed to do so in accordance with the Schedule of Contributions, Plan rules or pension legislation.

The principal obligation of the Company is to meet the Plan's funding deficit (if any) and expenses from time to time.

The Company is the sole sponsoring employer of the Lafarge UK Pension Plan (the Plan) a defined benefit plan for qualifying employees and former employees of Lafarge SA's UK subsidiaries. The Plan is closed to new members and existing members ceased to accrue future benefits after 31 October 2011. No other post-retirement benefits are provided. The Plan is a funded scheme.

Following the merger of Lafarge SA and Holcim Limited in July 2015, the Trustee and the LafargeHolcim group had been in discussions in relation to appropriate post-merger covenant support for the Plan. An agreement was reached in September 2016.

The firm of actuaries Willis Towers Watson finalised the funding valuation as at 30 June 2015. Based on the new agreed covenant and the performance of the financial assets of the Plan, the funding deficit has reduced significantly compared to the last valuation, which was carried out at 30 June 2012. It translates into a recovery plan under which Lafarge International Holdings Limited is not required to pay contributions to the Plan. This recovery plan was filed with the Pensions Regulator at the end of September 2016.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 14. PENSION SCHEME (CONTINUED)

The most important actuarial assumptions for accounting purposes as at 31 December 2017 are as follows:

Key assumptions used:	2017 %	2016 %
Discount rate	2.6	2.8
Pension increases in payment	3.1	3.1
Pension increases in deferment – RPI	3.2	3.3
Pension increases in deferment – CPI	2.1	2.2
Expected long-term rate on plan assets	2.6	2.8

	2017 £000	2016 £000
Present value of defined benefit obligations	(3,236,500)	(3,230,300)
Fair value of schemes' assets	3,462,700	3,445,000
Surplus in scheme	226,200	214,700
Deferred tax movement	2017 £000	2016 £000
At 1 January	(36,499)	(24,948)
Credited/(debited) to profit and loss account for the year	(680)	1,571
Debited to statement of comprehensive income for the year	(1,275)	(13,122)
At 31 December	(38,454)	(36,499)

The total deferred tax liability at the year-end is £38,454,000 (2016: £36,499,000) relating to the Group's pension scheme surplus.

Movements in present value of defined benefit obligations	2017 £000	2016 £000
At 1 January	3,230,300	2,776,800
Interest cost	88,200	102,700
Actuarial losses	81,500	504,600
Benefits paid	(163,500)	(153,800)
At 31 December	3,236,500	3,230,300
Movements in fair value of plan assets	2017 £000	2016 £000
At 1 January	3,445,000	2,915,400
Expected return	94,000	107,900
Actuarial gains	89,000	577,500
Scheme costs	(1,800)	(2,000)
Benefits paid	(163,500)	(153,800)
At 31 December	3,462,700	3,445,000



# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 14. PENSION SCHEME (CONTINUED)

As at 31 December the plan assets were invested in the following proportion:

	Fair value of assets 2017	Fair value of assets 2016
Global equities	388,800	380,100
Property	75,100	67,500
Credit	562,000	565,600
Liability driven investment portfolio	1,426,700	1,147,500
Protection Strategy	19,300	37,300
Private equity	212,700	218,700
Alternative investments	718,000	939,400
Cash & other	60,100	88,900
Total	<u>3,462,700</u>	<u>3,445,000</u>

The fair value of the plan assets and the return on those assets were as follows:

	2017 £000	2016 £000
Fair value of plan assets	<u>3,462,700</u>	<u>3,445,000</u>
Actual return on plan assets	<u>183,000</u>	<u>685,400</u>

The net pension income / (expense) recognised in the company's profit and loss account is as follows:

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
<b>Amount charged to operating profit:</b>		
Administrative expenses	<u>(1,800)</u>	<u>(2,000)</u>
<b>Other finance income:</b>		
Interest income on pension scheme assets	94,000	107,900
Interest expense on pension scheme liabilities	<u>(88,200)</u>	<u>(102,700)</u>
Net finance income / (expense)	5,800	5,200
Net Pension income / (expense)	<u>4,000</u>	<u>3,200</u>

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2017

### 14. PENSION SCHEME (CONTINUED)

The experience gains and losses of the pension schemes reported in the statement of comprehensive income is:

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
Net remeasurement - financial	104,900	548,400
Net remeasurement - demographic	(10,100)	-
Net remeasurement - experience	(13,300)	(43,800)
Return on assets, excluding interest	(89,000)	(577,500)
<b>Total remeasurement shown in OCI</b>	<b>(7,500)</b>	<b>(72,900)</b>

The company is expecting to pay no contributions (2017 and 2016: £Nil) in financial year 31 December 2018.

#### Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the Company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2017 years	2016 years
Retiring today:		
Males	22.3	22.2
Females	23.7	23.8
Retiring in 20 years:		
Males	24.0	23.9
Females	25.6	25.7

### 15. CALLED UP SHARE CAPITAL

	2017 £000	2016 £000
<b>Allotted and fully paid:</b>		
1,480,000,000 (2016: 1,480,000,000) Ordinary shares of £1 each	1,480,000	1,480,000
200,000,000 (2016: 200,000,000) non-cumulative non-redeemable fixed rate Preference shares of £1 each	200,000	200,000
	<b>1,680,000</b>	<b>1,680,000</b>

The preference shares confer on the holders, priority on a return of assets and the right to attend and vote at general meetings.

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2017

### 16. SUBSIDIARY UNDERTAKINGS

Details of group undertakings are:

Name	Address	Nature of business	Country of incorporation and operation	Share of equity held beneficially by the Company
Blue Circle International Holdings BV	Park Lodge, London Road, Dorking RH4 1TH	Holding company	Netherlands	100%
Middleborough Reclamation Opportunity Corporation	13450 Sunrise Valley Drive, Suite 220 Herndon, VA 20171 USA	Parent company	USA	100%
MRO LLC	6211 Ann Arbor Rd Dundee, MI 48131 USA	Joint Venture	USA	50%
Blue Circle Home Products International Limited	Park Lodge, London Road, Dorking RH4 1TH	Non-trading company	UK	*100%
Lafarge Redland Readymix Limited ("LRRMX")	As above	Holdings company	UK	100%
Associated International Cement Limited ("AIC")	As above	Holding company	UK	*100%
Tunnel Buildings Products Limited	As above	Non-trading company	UK	100%
Lafarge Nigeria (UK) Limited	As above	Holding company	UK	100%
Hereford Recycling Limited	As above	Dormant company	UK	100%
Changeissues Limited	As above	Dormant company	UK	100%
Redland Brow Landfill Inc	Miller Thompson, 40 West Suite 5800	Non-trading company	Canada	100%
Held by AIC				
Lafarge Malayan Cement Berhad	Level 12, Bangunan TH Uptown No 3, No 3, Jalan SS21/39, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.	Cement	Malaysia	51.0%
Lafarge Cement Zimbabwe Limited	Manresa Works, Arcturus Road, Harare Zimbabwe	Cement	Zimbabwe	76.4%
Lafarge Nigeria Limited	27B Gerrard Road, Ikoyi, Lagos, Nigeria	Cement	Nigeria	100.0%
Lafarge Africa PLC	27B Gerrard Road, Ikoyi, Lagos, Nigeria	Cement	Nigeria	+* 33.7%
Atlas Cement Company Limited	Federal Ocean Complex, Onne Port, Complex, Rivers State, Port Harcourt, 500001, Nigeria	Cement	Nigeria	+++* 100%
Ashakacem PLC	Ashaka Works, Near Gombe, Gombe State, Nigeria	Cement	Nigeria	+++*58.6%
East African Portland Cement Limited	L R 337/113/1 Namanga Road, Off Namanga Road, P.O. Box 40101-00100, Nairobi, Kenya	Cement	Kenya	14.6%
Lafarge SA Holdings Limited	35 Westfield Road, Longmeadow Business Estate, Ext 11, Edenvale, 1609, Johannesburg, South Africa	Holding company	South Africa	+++*100%

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2017

### 16. SUBSIDIARY UNDERTAKINGS (CONTINUED)

Name	Address	Nature of business	Country of incorporation and operation	Share of equity held beneficially by the Company
Egyptian Cement Holdings B.V.	De Lairesestraat 131, 1075HJ Amsterdam, The Netherlands	Holding company	Egypt	++**50%
Associated Pan Malaysia Cement Sdn Bhd.	Level 12, Bangunan TH Uptown No 3, No 3, Jalan SS21/39, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Cement	Malaysia	***100%
Lafarge Cement Sdn Bhd	As above	Cement	Malaysia	***100%
Lafarge Drymix Sdn Bhd	As above	Cement	Malaysia	***100%
CMCM Perniagaan Sdn Bhd	As above	Cement	Malaysia	***100%
Jumewah Shipping Sdn Bhd	As above	Shipping cement	Malaysia	***100%
Kedah Cement Jetty Sdn Bhd	As above	Management & Operation of a jetty	Malaysia	***100%
Lafarge Aggregates Sdn Bhd	As above	Investment holding	Malaysia	***100%
Lafarge Aggregates (Pantai Remis) Sdn Bhd	As above	Producer & Supplier	Malaysia	***100%
Lafarge Aggregates (Ipoh) Sdn Bhd	Level 12, Bangunan TH Uptown No 3, No 3, Jalan SS21/39, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Producer & Supplier	Malaysia	***100%
Lafarge Concrete (Malaysia) Sdn Bhd	As above	Concrete	Malaysia	***93.26%
Lafarge Concrete Industries Sdn Bhd	As above	Concrete	Malaysia	***93.26%
Lafarge Concrete (East Malaysia) Sdn Bhd	As above	Concrete	Malaysia	***93.26%
Probuilders Centre Sdn Bhd	As above	Cement	Malaysia	***100%
Holcim Malaysia Sdn Bhd	As above	Cement	Malaysia	***100%
Holcim Marketing (Malaysia) Sdn Bhd	As above	Cement	Malaysia	***100%
ISB Kuari Kota Tinggi Sdn Bhd	As above	Granit & Quarry	Malaysia	***100%
Geocycle Malaysia Sdn Bhd	As above	Cement	Malaysia	***100%
M-Cement Sdn Bhd	As above	Investment holding	Malaysia	***100%
Kedah Cement Holdings Berhad	As above	Investment holding	Malaysia	***100%
Lafarge Shared Services Sdn Bhd	As above	Accounting & Management	Malaysia	***100%
LMCB Holding Pte	3A International Business Park, 07-01/05, Singapore, 609935	Investment Holding	Singapore	***100%
Lafarge Cement Singapore Pte Limited	As above	Cement	Singapore	***100%
Supermix Concrete Pte Limited	As above	Investment Holding	Singapore	***100%
Lafarge Marketing Pte Limited	As above	Investment Holding	Singapore	***100%
PMCWS Enterprises Pte Limited	As above	Investment Holding	Singapore	***100%
LCS Shipping Pte Limited	As above	Shipping	Singapore	***100%
Alliance Concrete Singapore Pte Limited	72 Sungei Kadut Street, 1, Singapore, 729372	Concrete	Singapore	***50%

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 16. SUBSIDIARY UNDERTAKINGS (CONTINUED)

\*denotes 8.82% held directly by Lafarge Nigeria (UK) Limited and 24.86% by the Company

\*\*denotes companies held directly by Lafarge Africa PLC

+denotes companies held partly direct and indirectly

++denotes companies held indirectly

\*\*\* denoted held by Lafarge Malayan Cement Berhad directly

*Details of associated undertakings held by LRRMX are as follows:*

Company	Registered address	Country of registration & operation	Proportion of ordinary shares held %
Readymix Gulf Limited	PO Box 52942, Dubai UAE	Sharjah – UAE	49%
Readymix Muscat LLC	PO Box 3887, Ruwi, 112, Sultanate of Oman	Oman	40%
Premix LLC	PO Box 3887, Ruwi, 112, Sultanate of Oman	Oman	40%
Readymix Qatar W.L.L.	PO Box 5007, Doha, Qatar	Qatar	49%
Qatar Quarry Company W.L.L.	PO Box 5007, Doha, Qatar	Qatar	25%
Qatar Precast W.L.L.	PO Box 5007, Doha, Qatar	Qatar	49%
Construction Materials Co W.L.L.	PO Box 5007, Doha, Qatar	Qatar	49%
Lafarge Readymix Kuwait	Kuwait City, Sharq-, Ahmed Al Jaber Street Al Raed Center, 2nd Floor	Kuwait	50%

All the above companies are engaged in the manufacture and supply of construction materials.

### 17. CONTINGENT LIABILITIES

As at 31 December 2017 the Company had a bank guarantee facility with HSBC Bank PLC for Canadian dollar 3,017,638 (2016: Canadian dollar 2,271,000) to support its wholly owned subsidiary Redland Brow Landfill Inc.

A contingent liability exists in relation to an ongoing class action suit with Monier in the United States. An online website has been setup where claimants will be able to attempt to qualify for compensation, of which the final decision for qualification will ultimately be under the discretion of the presiding judge. The amount of exposure is not currently determinable at this point and no provision has been made.

### 18. RELATED PARTY DISCLOSURES

Balances held with related parties comprise of:

	2017 £000	2016 £000
Balances held under cash pooling arrangement with Lafarge Minerals Limited	20,599	20,930
Amounts due from group undertakings < 1 year	750,982	748,293
Amounts owed to group companies	306	-
Loans to group undertakings	-	207

# LAFARGE INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

### 19. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	31 December 2017 £'000	31 December 2016 £'000
<b>Financial assets</b>		
Measured at undiscounted amount receivable		
• Amounts due from group undertakings (see note 10)	750,982	748,293
<b>Financial liabilities</b>		
Measured at undiscounted amount payable		
• Amounts owed to group companies	306	-
• Loans to group undertakings (see note 12)	-	207
	306	207

### 20. ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

LafargeHolcim Limited, a company registered in Switzerland, is the smallest and largest undertaking to consolidate the financial statements of the Company. LafargeHolcim Limited is regarded by the directors as being the Company's ultimate parent company and controlling entity.

The immediate parent undertakings in the UK are Lafarge Building Materials Limited and Lafarge Finance Limited.

Copies of the group accounts of LafargeHolcim Limited having its registered office at Zurcherstrasse 156, CH-8645 Jona, Switzerland may be obtained from the Investor Relations Department, [investor.relations@lafargeholcim.com](mailto:investor.relations@lafargeholcim.com), or from [www.lafargeholcim.com/presentation-results](http://www.lafargeholcim.com/presentation-results).

### 21. POST BALANCE SHEET EVENT

The £293m loan to Lafarge SA (see note 10) was repaid on 24 September 2018 and loaned to a fellow group company, Holcim Participation UK Ltd, at a rate of 2.92% for a period of 7 years to mature on 23 September 2025.