Company Registration No. 04027738

SAPPHIRE ENERGY RECOVERY LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2013

SAPPHIRE ENERGY RECOVERY LIMITED

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

Directors

R Hodder
C Law
JP Janse Van Rensburg
Lafarge Tarmac Directors (UK) Limited

Company Secretary

Lafarge Tarmac Secretaries (UK) Limited

Registered office

Portland House
Bickenhill Lane
Solihull
Birmingham
United Kingdom
B37 7BQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
United Kingdom

STRATEGIC REPORT

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Lafarge Tarmac Cement and Lime Limited (formerly Lafarge Cement UK Limited).
The Company's turnover decreased to £8,752,396 (2012: £9,352,880) as a result of decreased supply of alternative fuels and raw materials to cement manufacturers due to the divestment of Hope Cement Limited on the formation of Lafarge Tarmac, as explained in Significant Events, on page 1. The profit after tax of £181,504 (2012: loss of £80,740) for the year has resulted in an increase to the net assets of the same amount.

As a result of the loss of Hope Cement Limited as a customer the Company had to close a site resulting in closure costs of £710,134 (includes impairment loss of £150,961) in the year.

The balance sheet shows the Company's financial strength at the year end in terms of net assets. There has been a decrease in the bank overdraft due to improved working capital management.

During the year the number of staff employed by the Company was 46 (2012: 53).

SIGNIFICANT EVENTS

On 7 January 2013, following regulatory clearance from the Competition and Markets Authority ("CMA"), Lafarge Tarmac Holdings Limited (a 50:50 joint venture between Anglo American Plc and Lafarge S.A ("Lafarge Tarmac")) acquired the entire issued share capitals of Lafarge Aggregates Limited, Lafarge Tarmac Cement and Lime Limited (formerly Lafarge Cement UK Limited), Lafarge (UK) Services Limited, Tarmac Industrial Minerals Holdings Limited (formerly Anglo Industrial Mineral Holdings Limited) and Tarmac Group Limited.

As part of the above arrangements, the Company was contributed to Lafarge Tarmac on 7 January 2013.

POST BALANCE SHEET EVENTS

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.

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES

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

Credit risk:

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk:

The Company operates under the Lafarge Tarmac Holdings Limited cash pool arrangement and therefore liquidity is not deemed to be a risk.

Environmental liabilities and risk:

Sapphire manages its environmental risk through its EMS which is certified to ISO 14001 and registered to EMAS (eco management audit scheme). Within the EMS are procedures to carry out risk assessments on all materials used and supplied by Sapphire, these risk assessments include environmental risk in all stages of the material from transport to storage to use. All materials supplied by Sapphire are subject to environmental quality criteria to ensure they meet both regulatory and company requirements to prevent environmental harm.

KEY PERFORMANCE INDICATORS

The following are key performance indicators which the directors consider to be critical to evaluate the performance of the business:

	2013	**2012**
Gross Profit Margin	17.9%	15.3%
Gross Profit Margin (Excluding site closure costs and impairment)	26.0%	15.3%
Operating Margin	1.1%	-0.4%
Operating Profit Margin (Excluding site closure costs and impairment)	9.2%	-0.4%
Return on Net Assets	11.9%	-6.0%
Return on Net Assets (Excluding site closure costs and impairment)	58.7%	-6.0%

Approved by the Board and signed on its behalf by:

JP Janse Van Rensburg

Director

30 September 2014

SAPPHIRE ENERGY RECOVERY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES
The principal activity is to acquire used/scrap vehicle tyres from appropriate sources, for processing and onward disposal through environmentally sound facilities. The Company also sources alternative waste materials to be used in the manufacture of cement as either an alternative fuel or raw material.

GOING CONCERN
The directors have considered the appropriateness of adopting the going concern basis in the preparation of these financial statements. The Company made a profit of £181,504 for the year (2012: loss of £80,740). At 31 December 2013, the Company had net assets of £1,519,656 (2012: £1,338,152).
After making enquiries, based on financial projections the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for not less than 12 months from approval of these financial statements. Accordingly, the directors consider it is appropriate that the financial statements should be prepared on a going concern basis.

DIRECTORS
The directors who served throughout the year and up to the date of this report, except where otherwise stated were:

F Colhoun	(resigned 17 April 2013)
R Hodder	
R Ramankutty	(resigned 17 April 2013)
C Law	(appointed 16 April 2013)
D Grimason	(appointed 16 April 2013, resigned 20 November 2013)
JP Janse Van Rensburg	(appointed 16 April 2013)
Lafarge Tarmac Directors (UK) Limited	(appointed 16 April 2013)

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).

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 have indicated their willingness to be reappointed. No notice in accordance with section 488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of the auditor under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditor to take place in absence of an Annual General Meeting.

By Order of the Board

JP Janse Van Rensburg
Director

30 September 2014

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; 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 SAPPHIRE ENERGY RECOVERY LIMITED

We have audited the financial statements of Sapphire Energy Recovery Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. 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 material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent 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 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 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.

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
30 September 2014

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2013

	Note	2013 £	2012 £
Turnover		**8,752,396**	9,352,880
Cost of sales (Including exceptional item of £710,034, 2012:£nil)		**(7,189,019)**	(7,922,892)
Gross profit		**1,563,377**	1,429,988
Administrative expenses		**(1,468,783)**	(1,468,731)
Operating profit / (loss)	3	**94,594**	(38,743)
Interest receivable	4	**248**	-
Interest payable	4	**-**	(3,660)
Profit / (loss) on ordinary activities before taxation		**94,842**	(42,403)
Tax credit / (charge) on profit on ordinary activities	5	**86,662**	(38,337)
Profit / (loss) for the financial year	12	**181,504**	(80,740)

Turnover and operating profit/(loss) are derived from the Company's continuing operations.

There are no recognised gains or losses in either year other than the profit/(loss) for that financial year. Accordingly, no statement of total recognised gains or losses is presented.

BALANCE SHEET
As at 31 December 2013

	Note	2013 £	2012 £
Fixed Assets			
Goodwill	6	-	120,025
Tangible assets	7	**1,064,037**	1,412,213
Current assets			
Stocks	8	**196,520**	255,935
Debtors	9	**2,793,886**	2,831,030
Cash at bank and in hand		**634,917**	311,216
		3,625,323	3,398,181
Creditors: amounts falling due within one year	10	**(3,169,704)**	(3,592,267)
Net current assets/(liabilities)		**455,619**	(194,086)
Total assets less current liabilities		**1,519,656**	1,338,152
Net assets		**1,519,656**	1,338,152
Capital and reserves			
Called up share capital	11	**3,500,000**	3,500,000
Profit and loss account deficit	12	**(1,980,344)**	(2,161,848)
Total shareholder's funds	13	**1,519,656**	1,338,152

The financial statements of Sapphire Energy Recovery Limited (registered number 04027738) were approved by the Board of Directors and authorised for issue on 30 September 2014].

JP Janse Van Rensberg
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year.

Basis of preparation

The financial statements are prepared under the historical cost convention.

Going concern

The directors have considered the appropriateness of adopting the going concern basis in the preparation of these financial statements. The Company made a profit of £181,504 for the year (2012: loss of £80,740). At 31 December 2013, the Company had net assets of £1,519,656 (2011: £1,338,152). After making enquiries, based on financial projections the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for not less than 12 months from approval of these financial statements. Accordingly, the directors consider it is appropriate that the financial statements should be prepared on a going concern basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment in the value.

Depreciation is provided on cost in equal annual instalments over the estimated useful economic lives of the assets. The rates of depreciation are as follows:

Plant and machinery	5% to 33% per annum
Fixtures, fittings, tools and equipment	33% per annum

Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

Stocks

Stocks are engineering spares and tyres and are stated at the lower of cost and net realisable value.

Current taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation

Deferred taxation is provided in full on timing differences which 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. 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.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

1. **ACCOUNTING POLICIES (CONTINUED)**

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Pension costs

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit/loss, all of which arises in the United Kingdom, is attributable to the Company's principal activity.

Cash flow statement

The Company has taken advantage of the exemption not to prepare a cash flow statement under Financial Reporting Standard No 1 (revised) as its cash flows are consolidated into the cash flow statement produced by the ultimate parent company.

Related party transactions

The Company has taken advantage of the exemption granted in paragraph 3(c) of Financial reporting Standard No.8 'Related Party Disclosures' not to disclose transactions with wholly owned group undertakings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration

Directors Remuneration is paid by another group company as their services are incidental to their services provided to other group companies.(2012: £nil).

Average number of persons employed	2013 No.	2012 No.
Production	**23**	26
Sales and distribution	**16**	17
Administration	**7**	10
	46	53

Staff costs during the year comprise:	2013	2012
Wages and salaries	**1,535,647**	1,684,195
Social security costs	**151,187**	152,158
Pension costs	**69,950**	73,014
	1,756,784	1,909,367

3. OPERATING PROFIT/(LOSS)

	2013 £	2012 £
Operating profit/(loss) is stated after charging:		
Depreciation		
Owned assets	**237,248**	197,708
Amortisation of goodwill	**79,992**	79,992
Rentals under operating leases		
Hire of plant and machinery	**26,960**	113,244
Other operating leases	**392,395**	350,595
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**14,000**	13,500
Exchange losses	**436**	3,390
* Exceptional items include following expenses relating to London site closure :		
Impairment of Goodwill (note 6)	**40,033**	-
Impairment of Fixed Assets (note 7)	**110,928**	-
Other Site closure costs	**559,073**	-

* As a result of the loss of Hope Cement Limited as a customer the Company had to close a site resulting in closure costs of £710,134 (of which the impairment loss amounted to £150,961) in the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

There were no non audit fees in the current or prior year.

4. INTEREST RECEIVABLE AND PAYABLE

	2013 £	2012 £
Interest receivable on amounts due from group companies	**248**	-
Interest payable on amounts due to group companies	**-**	(3,660)

5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax (credit)/charge on profit/ (loss) on ordinary activities

	2013 £	2012 £
Current tax		
United Kingdom corporation tax at 23.25% (2012: 24.5%)	**-**	39,478
Prior year adjustment	**(86,662)**	(1,141)
Total current tax	**(86,662)**	38,337
Total tax (credit)/charge	**(86,662)**	38,337

The Company has an unrecognised deferred tax asset of £153,922 (2012: £178,276) in relation to accelerated capital allowances of £138,358 (2012: £116,093) and other timing differences of £15,563 (2012: £62,183) which has not been recognised as there is insufficient information to support the recoverability of this asset in the future

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	**94,842**	(42,403)
Tax (credit)/charge on profit/(loss) on ordinary activities at standard rate	**22,048**	(10,388)
Effects of:		
Expenses not deductible for tax purposes	**395**	1,428
Depreciation in excess of / (less than) capital allowances	**80,939**	48,438
Short term timing differences	**(44,760)**	-
Adjustment in respect of prior years	**(86,662)**	(1,141)
Group relief not paid for	**(58,622)**	-
Total actual amount of current tax (credit)/charge	**(86,662)**	38,337

For the year ended 31 December 2013 and subsequent years, group relief within Lafarge Tarmac is to be surrendered free of charge. In previous years, group relief was surrendered for an amount equal to tax otherwise paid to HM Revenue & Customs.

5. TAX (CREDITS)/CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

(c) Factors that may affect future tax charge

The 2012 Budget introduced a reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013, resulting in a blended rate of current tax of 23.25% for the year.

On 2 July 2013 the 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 substantively enacted at the balance sheet date. Accordingly the reduction to 20% has been applied when measuring the unrecognised deferred tax asset at 31 December 2013, on the basis that it will materially reverse after 1 April 2015.

6. GOODWILL

	Goodwill Total £
Cost	
At 1 January 2013 and 31 December 2013	**400,000**
Accumulated amortisation	
At 1 January 2013	279,975
Charge for the year	79,992
Impairmentrecognised during the year	40,033
At 31 December 2013	**400,000**
Net book value	
At 31 December 2013	-
At 31 December 2012	120,025

As a result of the loss of Hope Cement Limited as a customer the Company had to close a site. As part of the closure provision was the impairment of the remaining goodwill of £40,033 relating to that site.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost			
At 1 January 2013 and 31 December 2013	3,537,665	143,594	3,681,259
Accumulated depreciation			
At 1 January 2013	2,142,951	126,095	2,269,046
Charge for the year	220,455	16,793	237,248
Impairment recognised during the year	110,928	-	110,928
At 31 December 2013	**2,474,334**	**142,888**	**2,617,222**
Net book value			
At 31 December 2013	**1,063,331**	**706**	**1,064,037**
At 31 December 2012	1,394,714	17,499	1,412,213

As a result of the loss of Hope Cement Limited as a customer the Company had to close a site. As part of the closure provision was the impairment of the assets that were deemed to have no resale value. These assets were subsequently scrapped in June 2014.

8. STOCKS

	2013 £	2012 £
Tyres	**31,572**	17,080
Engineering spares	**164,948**	238,855
	196,520	255,935

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

9. DEBTORS

Amounts due within one year	2013 £	2012 £
Trade debtors	**549,596**	660,353
Amounts owed by parent undertakings	**2,124,874**	1,891,229
Other debtors and prepayments	**119,416**	279,448
	2,793,886	2,831,030

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	**1,075,940**	1,568,333
Bank overdraft	**-**	292,351
Amounts owed to parent undertakings	**1,035,520**	799,211
Amounts owed to other Group companies - Group Relief	**-**	86,662
Accruals and deferred income	**1,058,244**	845,710
	3,169,704	3,592,267

11. CALLED-UP SHARE CAPITAL

	2013 £	2012 £
Called-up, allotted and fully paid		
3,500,000 (2012: 3,500,000) ordinary shares of £1 each	**3,500,000**	3,500,000
	3,500,000	3,500,000

12. RESERVES

	Profit and loss account £
Balance at 1 January 2013	**(2,161,848)**
Profit for the financial year	**181,504**
Balance at 31 December 2013	**(1,980,344)**

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2013 £	2012 £
Profit / (loss) for the financial year	**181,504**	(80,740)
Net increase / (decrease) in shareholder's funds	**181,504**	(80,740)
Opening shareholder's funds	**1,338,152**	1,418,892
Closing shareholder's funds	**1,519,656**	1,338,152

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

14. FINANCIAL COMMITMENTS

Operating lease commitments
At 31 December the Company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Leases which expire:				
Less than one year	**48,125**	**886**	48,125	2,153
Within one to two years	**33,168**	**106,512**	-	10,638
Within two to five years	**-**	**-**	33,168	106,512
Over five years	**68,500**	**-**	213,000	-

15. CONTINGENT LIABILITY

Following the formation of the joint venture on 7 January 2013, the cash pooling arrangements were changed. The Company in concert with those other group companies has entered into arrangements whereby each has offered a limited guarantee in respect of the others' overdraft borrowings from time to time. The Company's maximum liability is limited to the extent of its current account cash balances from time to time which at 31 December 2013 amounted to £634,431 (2012: overdraft £231,836).

At 31 December 2012, the bank balance related to a memorandum account being the Company's portion of a group bank account held in the name of a fellow subsidiary at that date.

16. RELATED PARTY TRANSACTIONS

The Company is a wholly-owned subsidiary of Lafarge Tarmac Holdings Limited. The Company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Lafarge Tarmac Holdings Limited group for which 100% of the ownership rests within the Lafarge Tarmac Holdings Limited group.

17. PENSION ARRANGEMENTS

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. The total cost charged to the profit and loss account of £69,950 (2012: £73,014) represents contributions payable to these schemes by the Company. As at 31 December 2013, contributions of £nil (2012: £nil) due in respect of the current reporting period had not been paid over to the schemes.

18. SUBSEQUENT EVENTS

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2013

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY

As at 31 December 2013, the immediate parent company was Lafarge Tarmac Cement and Lime Limited (formerly Lafarge Cement UK Limited), a company registered in England and Wales.

The ultimate parent company and ultimate controlling entity was Lafarge Tarmac Holdings Limited, a company registered in England and Wales. The smallest and largest group that publishes consolidated financial statementsincorporating the results of the Company is Lafarge Tarmac Holdings Limited. Copies of the financial statementsof the immediate and ultimate parent companies are available from The Company Secretary, Portland House, Bickenhill Lane, Solihull, Birmingham B37 7BQ.