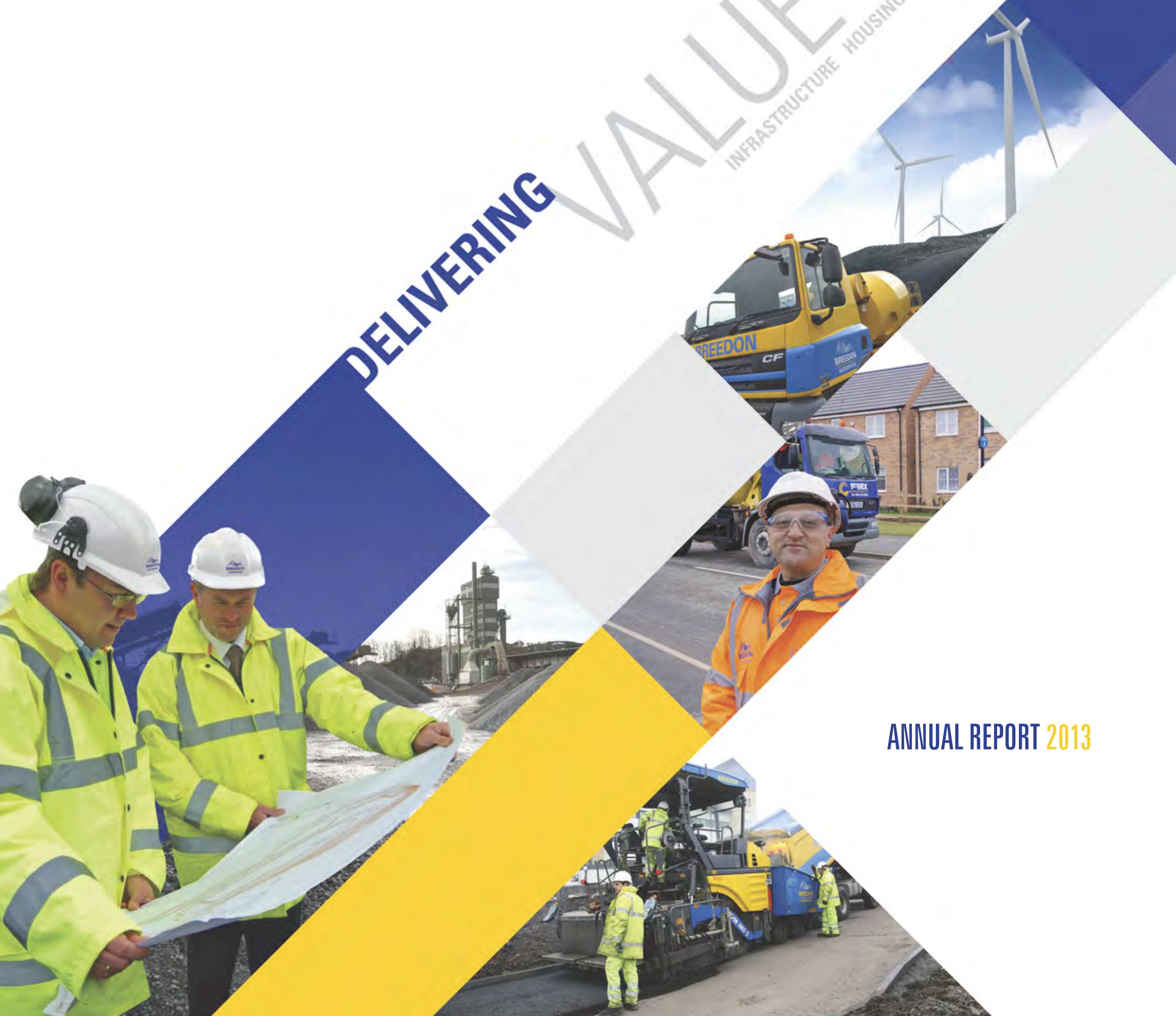
BREEDON
AGGREGATES

DELIVERING VALUE

INFRASTRUCTURE HOUSING RENEWABLE ENERGIES



ANNUAL REPORT 2013

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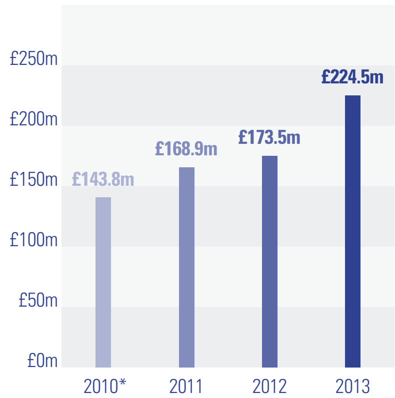
Highlights of the Year	3
Strategic Report	
Breedon Aggregates' Product Chain	4
Our Areas of Operation	6
Strategic Overview	8
Chairman's Statement	10
Chief Executive's Review	14
Financial Review	20
Corporate Social Responsibility	28
Governance	
Directors	34
Directors' Report	36
Corporate Governance	40
Audit Committee Report	42
Directors' Remuneration Report	44
Financial Statements	
Statement of Directors' Responsibilities	50
Independent Auditor's Report to the Members	51
Consolidated Income Statement	52
Consolidated Statement of Comprehensive Income	53
Consolidated Statement of Financial Position	54
Consolidated Statement of Changes in Equity	55
Consolidated Statement of Cash Flows	56
Notes to the Financial Statements	57
Notice of Annual General Meeting	86
Advisors & Company Information	88
Shareholder Information	88

HIGHLIGHTS OF THE YEAR

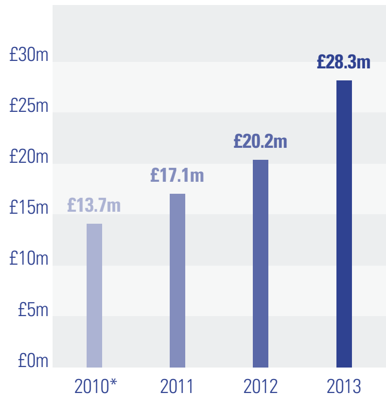
FINANCIAL HIGHLIGHTS

	2013	2012	Change
Revenue	**£224.5 million**	£173.5 million	**+29.5%**
Underlying EBITDA†	**£28.3 million**	£20.2 million	**+40.1%**
Underlying operating profit†	**£14.6 million**	£8.8 million	**+65.4%**
Underlying profit before tax†	**£12.4 million**	£5.6 million	**+121.4%**
Underlying basic EPS†	**1.12 pence**	0.67 pence	**+67.2%**

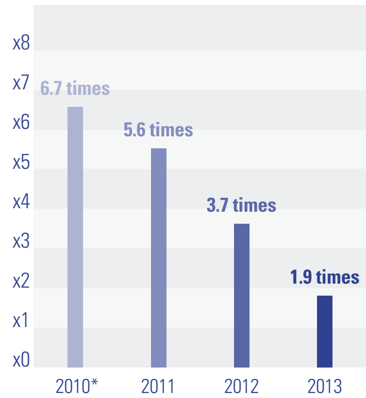
- 6.1 million tonnes of aggregates sold (2012: 4.3 million tonnes)
- 1.4 million tonnes of asphalt sold (2012: 1.2 million tonnes)
- 620,000 cubic metres of ready-mixed concrete sold (2012: 490,000 cubic metres)



REVENUE



UNDERLYING EBITDA



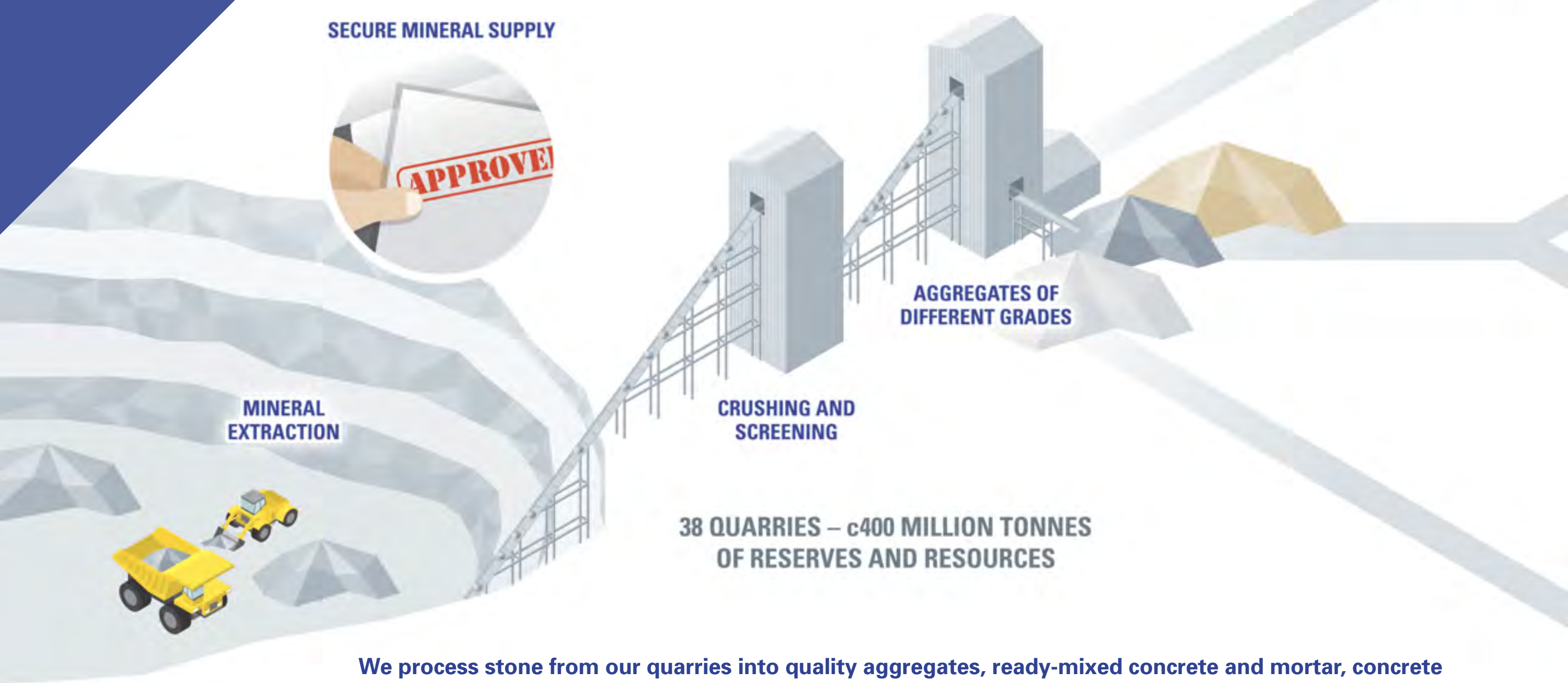
NET DEBT / UNDERLYING EBITDA

OPERATIONAL HIGHLIGHTS

- EBITDA margin up full percentage point to 12.6%
- Strong performances in both England and Scotland
- Sales volumes in all products significantly ahead of prior year
- Capital expenditure substantially increased to £13.3 million (2012: £8.5 million)
- Two transformational acquisitions completed, funded by £61 million placing
- Very strong balance sheet: gearing more than halved to 37%
- New Group Finance Director appointed and assumed role on 3 March 2014
- Business positioned for organic and acquisitive growth

† Underlying results are stated before acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items. References to an underlying profit measure throughout this Annual Report are defined on this basis.
* Based on unaudited pro forma results for the full 12 months ended 31 December 2010.

BREEDON AGGREGATES' PRODUCT CHAIN



We process stone from our quarries into quality aggregates, ready-mixed concrete and mortar, concrete products and a comprehensive range of asphalt products. Our operations comprise two fully-integrated, autonomous businesses, in England and Scotland, each with its own independent management team.

The key to our business is securing permitted aggregates reserves. New consents are granted sparingly and with stringent conditions attached. Breedon Aggregates has successfully accumulated over 400 million tonnes of mineral reserves and resources in the UK. This is enough to last around 65 years at current rates of extraction.

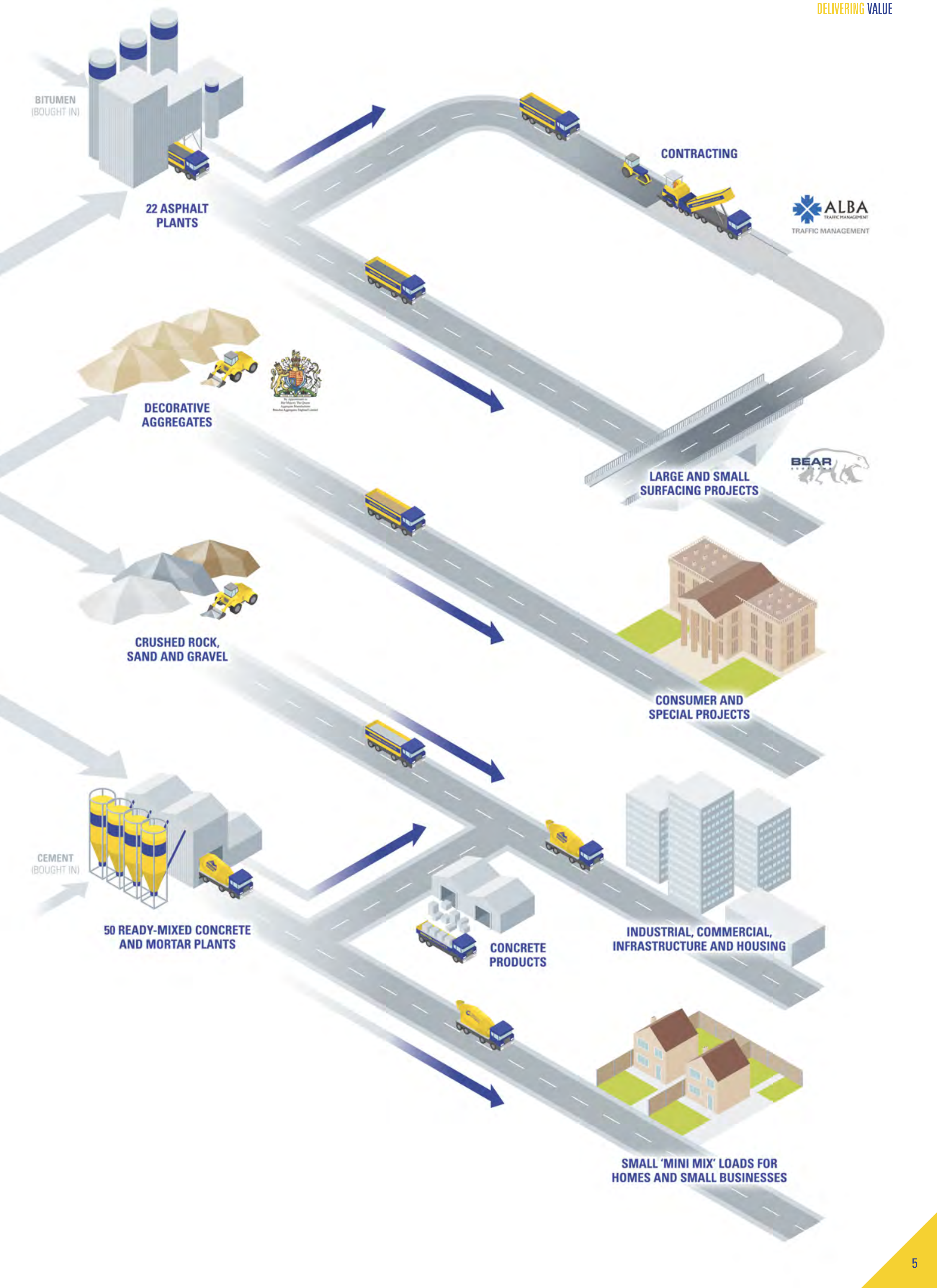
Rock is blasted from the working faces of our hard rock quarries and passed through a series of crushers and screens to produce several types and grades of 'dry' aggregates for onward sale to external customers or for use in our own operations. We also have a number of quarries that produce sand and gravel for both internal and external use, including one of the UK's richest and highest quality reserves at Norton Bottoms in Lincolnshire.

Some of our aggregates are mixed with bought-in bitumen to produce a variety of speciality surfacing products at our 22 asphalt plants in England and Scotland. These are used either by our own contracting teams or by external contractors to surface roads, car parks and airport runways around the UK.

Some of our aggregates are mixed with bought-in cement and other additives at our 50 readymix plants to produce ready-mixed concrete, mortar and concrete products for sale to commercial, industrial, infrastructure and housing developers. Our 1stMix 'mini mix' operation specialises in small loads for homes and businesses.

We also supply an exclusive range of decorative aggregates, sold loose or bagged, which is used in a wide variety of domestic and commercial applications, from drives and pathways to courtyards and architectural landscaping. Breedon Special Aggregates have been used in many of the UK's leading stately homes and tourist attractions, including the London Olympic Village. Our fleet of specialist vehicles delivers the full range of our products to customers around Great Britain.

Through our associate company, BEAR Scotland Limited, we maintain and manage much of the trunk road infrastructure in Scotland. We also own a majority stake in Alba Traffic Management Limited, a leading provider of traffic management solutions throughout Scotland.



BITUMEN
(BOUGHT IN)
22 ASPHALT
PLANTS
CONTRACTING
ALBA
TRAFFIC MANAGEMENT
DECORATIVE
AGGREGATES
LARGE AND SMALL
SURFACING PROJECTS
BEAR
CRUSHED ROCK,
SAND AND GRAVEL
CONSUMER AND
SPECIAL PROJECTS
CEMENT
(BOUGHT IN)
50 READY-MIXED CONCRETE
AND MORTAR PLANTS
CONCRETE
PRODUCTS
INDUSTRIAL, COMMERCIAL,
INFRASTRUCTURE AND HOUSING
SMALL 'MINI MIX' LOADS FOR
HOMES AND SMALL BUSINESSES

OUR AREAS OF OPERATION

BREEDON AGGREGATES ENGLAND

Tim Hall (left) is Chief Executive of our English business. He has spent his entire 40 year career in the quarrying industry, most recently as Director of Tarmac Limited's Western Area until 2010, when he joined Breedon Aggregates. Prior to this he was Managing Director of Tarmac Western Limited, the company formed by Anglo American from the former assets of Nash Rocks, Tilcon and Tarmac. He spent the previous 27 years with Nash Rocks, latterly as Managing Director.

Our English operations are headquartered at Breedon-on-the-Hill near East Midlands Airport and employ approximately 425 people across the central region of the country. We operate 13 quarries, 7 asphalt plants and 18 ready-mixed concrete and mortar plants, primarily supplying the West Midlands, East Midlands and eastern England.

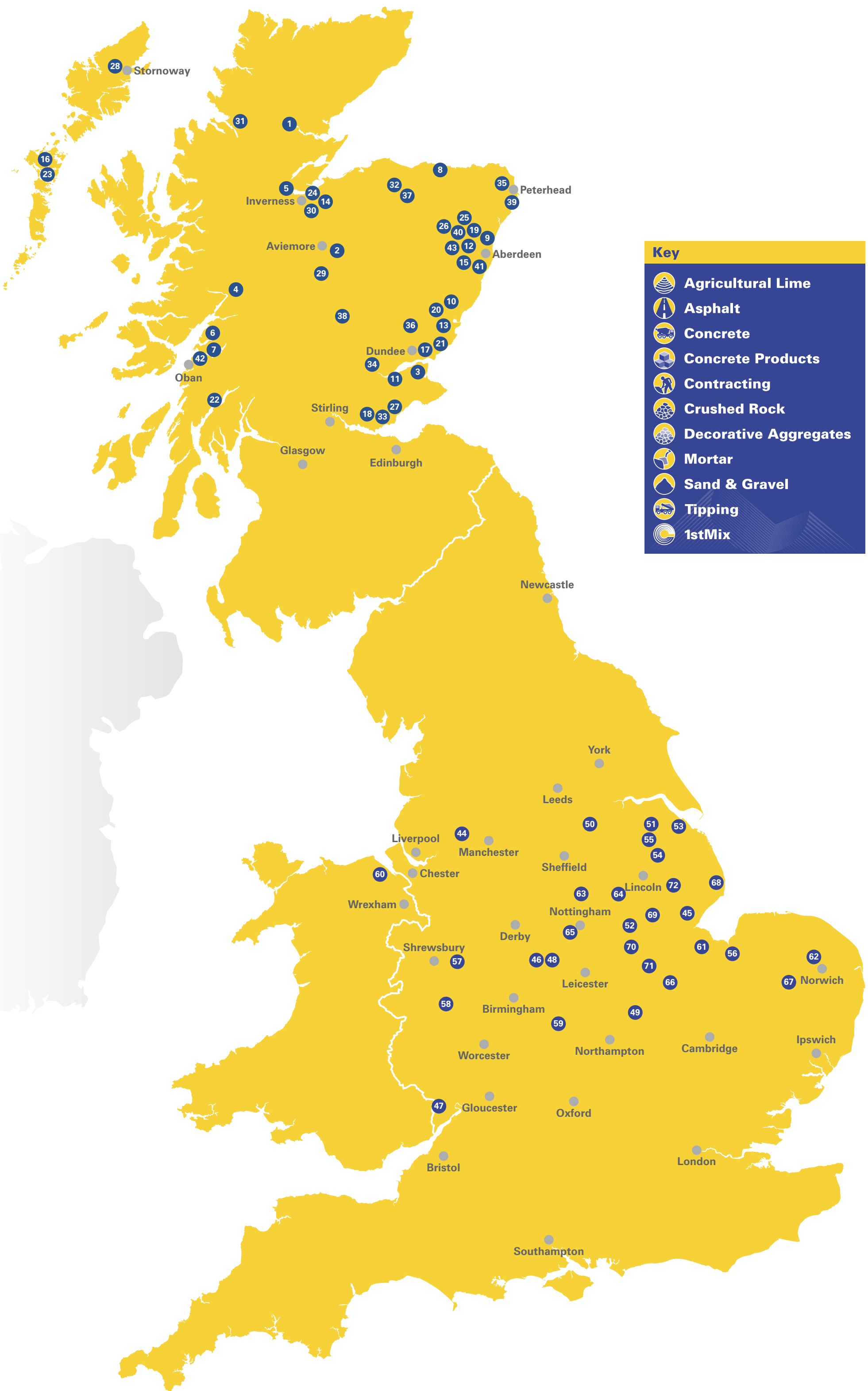
Our English contract surfacing business undertakes minor road-surfacing projects as well as major infrastructure contracts, serving an area from the east coast to mid-Wales and from the M62 corridor to the South Midlands.

BREEDON AGGREGATES SCOTLAND

Alan Mackenzie (right) is Chief Executive of our Scottish operations. He has spent more than 30 years in the aggregates industry, initially with Wimpey and then with Tarmac, where he was latterly Contracting Director of the company's largest region in central England. Alan joined Breedon Aggregates Scotland in 2001 as Regional Director for North and West Scotland. After four years on secondment as Chief Executive of BEAR Scotland, he rejoined the Group in 2006 as Chief Executive of its Scottish business. Alan is Chairman of the Asphalt Industry Alliance and the Mineral Products Association in Scotland.

Our Scottish operations are headquartered at Ethiebeaton, near Dundee, and employ around 580 people. Breedon Aggregates Scotland operates 25 quarries, 15 asphalt plants, 32 ready-mixed concrete plants and 2 concrete product plants, primarily supplying the north, west and east of Scotland.

We own a 37.5% stake in BEAR Scotland Limited, which manages the north-east and south-east trunk road networks on behalf of Transport Scotland, and we also own a majority stake in traffic management services company Alba Traffic Management Limited.



Scotland

1	Ardchronie Quarry
2	Aviemore Concrete Plant
3	Balmullo Quarry
4	Banavie Quarry
5	Beauly Quarry
6	Benderloch Quarry*
7	Bonawe Quarry
8	Boyne Bay Quarry
9	Bridge of Don Concrete Plant
10	Capo Quarry*
11	Clatchard Craig Quarry
12	Craigenlow Quarry
13	Cunmont Quarry**
14	Daviot Asphalt Plant
15	Deeside Concrete Plant
16	Druim Reallasger Quarry
17	Dundee Concrete Plant
18	Dunfermline Concrete Plant
19	Dyce Concrete Plant
20	Edzell Quarry
21	Ethiebeaton Quarry
22	Furnace Quarry
23	Garbh Eilean Asphalt Plant
24	Inverness Concrete Plant
25	Inverurie Concrete Plant
26	Kemnay
27	Kirkcaldy Concrete Plant
28	Marybank Quarry
29	Meadowside Quarry
30	Mid Lairgs Asphalt Plant
31	Morefields Quarry
32	Netherglen Quarry
33	Orrock Quarry
34	Perth Concrete Plant
35	Peterhead Concrete Plant
36	Powmyre Quarry*
37	Rothes Glen Quarry
38	Shierglas Quarry
39	Stirlinghill Quarry
40	Tom's Forest Quarry
41	Tullos Concrete Plant
42	West Area Contracting
43	Westhill Concrete Plant

*Decorative Aggregates are also available bagged **Recycling available

England

44	Astley Moss Quarry
45	Boston Concrete Plant
46	Breedon Quarry*
47	Clearwell Quarry
48	Cloud Hill Quarry
49	Corby Asphalt & Concrete Plant
50	Dunsville Quarry
51	Elsham Concrete Plant
52	Grantham Concrete Plant
53	Grimsby Concrete Plant
54	Kelsey Road Quarry
55	Kettleby Quarry
56	King's Lynn Concrete Plant
57	Leaton Quarry
58	Leinthall Quarry
59	Ling Hall Asphalt & Concrete Plant
60	Lloyds Quarries
61	Long Sutton Concrete Plant
62	Longwater Asphalt Plant
63	Mansfield Asphalt Plant
64	Norton Bottoms Quarry
65	Nottingham Readymix
66	Peterborough Concrete Plant
67	Shropham Quarry**
68	Skegness Concrete Plant
69	Sleaford Concrete Plant
70	South Witham Quarry
71	Stamford Concrete Plant
72	Woodhall Spa Concrete Plant

*Decorative Aggregates are also available bagged **Recycling available

STRATEGIC OVERVIEW

As the UK's largest independent aggregates business, our strategy is to grow by consolidating the smaller end of the UK heavyside building materials industry.

Over the last four years we have successfully executed this strategy with a series of strategic acquisitions and greenfield investments in England and Scotland, accumulating around 400 million tonnes of reserves and resources, together with significant downstream operations.

Our principal objective is to be the lowest-cost producer in the UK market, differentiating ourselves by delivering excellent customer service, exercising rigorous control over our costs and adding maximum value to the raw material we extract from our quarries.

In order to achieve our objective we will:

1. **Stay local** Easy to do business with at every site
2. **Stay nimble** Keep ahead of our markets and develop new ones
3. **Devolve responsibility** and decision-making to regional teams
4. **Squeeze our assets** Maximise return from every tonne of rock
5. **Eliminate underperformance** If a plant is not performing, fix it
6. **Keep central overhead to a minimum** Flat structure
7. **Don't pay rent** Locate our offices in our quarries
8. **Deliver value from acquisitions** Always enhance earnings

The Breedon Aggregates business model is set out on pages 4 to 7 where we describe what we do and the areas that we operate in.

On pages 10 to 18, the Executive Chairman and the Group Chief Executive report on the performance of the business in 2013 and on its position at the end of that year. They also describe the main factors likely to impact on the future development of the Breedon Aggregates Group.

In the Financial Review on pages 20 to 26 Ian Peters, the outgoing Group Finance Director, describes the principal risks that Breedon Aggregates faces and the actions that it takes to manage or mitigate those risks. The Financial Review also includes details of the key performance indicators that the Group uses to monitor its progress.

On pages 28 to 32 we have provided information on how Breedon Aggregates addresses its corporate social responsibilities including in relation to its employees, the environment and the communities in which we operate.

TELFORD TOWN CENTRE

Breedon is playing its part in realising Telford & Wrekin's ambitious vision for a vibrant new heart for Telford Town Centre, in the shape of the £250 million Southwater development due to be completed later this year. We are a major supplier of ready-mixed concrete to Thomas Vale Construction, the contractor responsible for building the individual units including a new 85-bedroom Premier Inn and a number of restaurants and bars such as Nando's, Bella Italia and Wagamama.

CHAIRMAN'S STATEMENT

It is pleasing after several very difficult years to report that our markets at last showed encouraging signs of life in 2013 as the long-awaited economic recovery began to take hold.

After battling severe headwinds for three years, we finally had the wind behind us for the first time since Breedon Aggregates was formed. This helped us to produce a very encouraging financial performance and to make significant progress in developing the business and positioning ourselves to deliver further value for our shareholders in the years ahead.

Following a bout of severe weather in the first quarter, activity levels picked up in the second quarter and this momentum continued into the second half of the year. Group revenues for the 12 months grew by 29.5% to £224.5 million. Our EBITDA margin improved by a further 1.0 percentage point to 12.6% and we improved underlying profit before tax by 121.4% to £12.4 million. Net debt was cut from more than £74 million to £54 million.

We are often asked by investors and commentators what makes our business so distinctive. The answer is simple: we put our customers first in everything we do. For us, it is personal: whether they are a householder ordering a couple of metres of concrete or a contractor ordering tens of thousands of tonnes of asphalt, we work hard to ensure that our service standards are exactly the same – everywhere; day in, day out.

We aim always to be a trusted and reliable partner. We treat our suppliers with respect and try to put a smile on the faces of all the people we do business with. Our flat structure and collaborative culture ensure that there is minimal distance between the people who run our business and the people who buy our products. Needless to say, we believe the 1,000 or so people who work for Breedon are among the very best in our industry.

Our first and most important obligation to those people is to keep them safe, which is why our health and safety performance is the number one item on every Board meeting agenda. Our record in this area continues to improve and in 2013 we reduced Breedon's Lost Time Incident Frequency Rate by a further 40%, on top of the 50% achieved in the prior year. This was, however, disappointingly short of our target, and we will be working hard towards another 50% improvement in 2014.

Last year we completed our two largest acquisitions to date, Marshalls' quarries in England and Aggregate Industries' operations in northern Scotland, for a total cash consideration of £54 million. This was funded by a £61 million share placing, which testifies to the strong support we receive from our shareholders as we pursue our strategy of consolidating the smaller end of the UK heavyside building materials industry.

Both acquisitions performed well and have added appreciably to the strength of our business both north and south of the border. We expect to finalise agreement with the Competition Commission by the end of April on the remedies required to satisfy their competition concerns in relation to the Scottish acquisition (covered in detail in the Group Chief Executive's Review). I am pleased to say that we anticipate proceeding with the full integration of these operations into our existing business in the second quarter and we expect it to prove an excellent acquisition for us.

We continue to seek out further acquisition opportunities and are routinely in discussion with several parties at any given time, but we reiterate our determination only to purchase assets from which we can extract meaningful value for our shareholders.

In addition to our substantial investment in acquisitions over the last three years, we have also committed significant capital expenditure to increasing and upgrading our capacity, in the form of new plant and equipment, vehicles and facilities across the Group. This means we are now well placed to benefit from the accelerating demand for our products and ensure that we can continue to meet our customers' expectations in what will hopefully continue to be an improving market.

In November, we announced that our Group Finance Director, Ian Peters, had decided to step down from the Board to pursue other interests. We are delighted that he has been succeeded by Rob Wood, who took up his new role on 3 March. Rob, a Chartered Accountant, was formerly Group Financial Controller of Drax Group plc, which owns and operates the Drax Power Station in North Yorkshire. Before that he was Chief Financial Officer, Australia & Asia Pacific, at Hanson PLC.

On behalf of shareholders, I would like to welcome Rob to the Group and thank Ian for the significant contribution he has made to the development of Breedon Aggregates over the past five years.

We are proud to be the only publicly-quoted British aggregates business in the UK. We have established ourselves in a relatively short period of time as a successful player in a highly competitive market, achieving scale and profitability with a strong balance sheet, whilst delivering sound value for our shareholders.

Looking ahead, we intend to do more of the same. The year has begun well and the outlook is more encouraging than for some time. We plan to take full advantage of the opportunities ahead and remain confident of making further progress in 2014.

Peter Tom CBE
Executive Chairman
4 March 2014

LOUGHBOROUGH INNER RELIEF ROAD

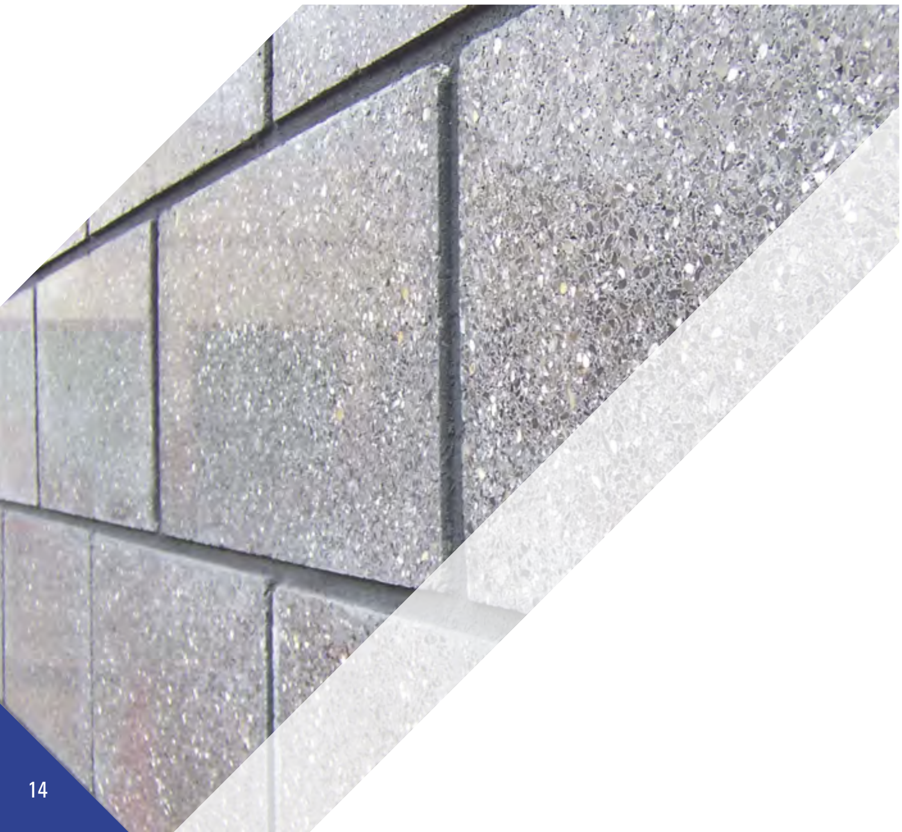
Breedon contributes to many inner-city road projects, including this complex £18 million scheme for Leicestershire County Council involving construction of an extended and improved inner ring road by Eurovia Contracting North as part of the Midlands Highways Alliance Framework.

We are supplying and laying a substantial quantity of asphalt for this major project, which includes the demolition of part of the town centre and a number of junction and roundabout improvements, all due to be completed by September 2014.

CHIEF EXECUTIVE'S REVIEW

I am delighted to report another successful year for Breedon Aggregates, with further solid progress being made across the business. Undoubtedly the highlight of the year was the acquisition of four of Marshalls' quarries in England and Aggregate Industries' operations in northern Scotland. Following lengthy discussions, these two deals were completed at the end of April and represent a major step forward for the Group. We see significant opportunity to improve both businesses.

The underlying business also performed extremely well during the year and I am particularly pleased that both England and Scotland were ahead of 2012 despite a difficult first quarter. This would not have been possible without the efforts of all our hard-working employees and once again I extend my thanks for their contribution to the Group's success.



TRADING SUMMARY

2013 started inauspiciously with cold, wet weather in January and February resulting in sluggish demand from customers and business activity levels at the end of the first quarter were below the previous year. However, from April things started to improve steadily and a strong performance in the second quarter enabled us to make up the lost ground and deliver an improved result at the half-year. Thereafter we saw a continuing increase in confidence and demand, particularly in England.

Breedon's performance in both England and Scotland was extremely pleasing. The recent acquisitions performed in line with expectations and made a meaningful contribution during the year. Headline sales revenue was £224.5 million, 29.5% higher than in 2012 and underlying Group EBITDA of £28.3 million was 40.1% ahead. Our EBITDA margin improved from 11.6% to 12.6%, reflecting the benefit of the acquisitions and continuing control of costs. Excluding acquisitions, sales revenue increased by 15.4% and underlying EBITDA by 13.9% – a very solid performance. We continued to reduce net debt and at the year-end this stood at £54 million or 1.9x underlying EBITDA. We continue to identify opportunities to improve productivity and reduce costs through selective capital investment.

Sales volumes in all products were significantly ahead of 2012 supported by the acquisitions: aggregates by 43%, asphalt by 15% and concrete by 27%. However, on a like-for-like basis, volumes excluding acquisitions were also ahead: aggregates by 12%, asphalt by 11% and concrete by 11%. These increases are ahead of MPA market figures, where volumes in the main products increased by 4-11% in 2013, reflecting strong demand in our regional areas of operation.

A number of large contracts were supplied during the year, including over 30,000 cubic metres of concrete to Balfour Beatty for the construction of new power lines between Inverness and Perth that are needed to transport electricity from recently-built wind farms in the north of Scotland.

In England, we supplied 170,000 tonnes of aggregates and 11,000 cubic metres of concrete to Laing O'Rourke on the new A453 upgrade connecting junction 24 of the M1 to Nottingham. Housebuilding recovered strongly and a number of developments were supplied in England and Scotland. However, as we have always said, while these jobs are important to us, the vast bulk of our sales go to small local customers with whom we have traded for many years and have close working relationships. Our commercial strategy will always be to supply our core customers first, with larger one-off contracts being supplied only when we have the capacity to do so.

The Chancellor's Autumn Statement in early December confirmed that the recovery in the UK economy is gathering pace and contained some welcome news for our industry. The National Infrastructure Plan ("NIP") announced ahead of the Statement provides a framework for infrastructure investment up to 2030 and beyond. Planned investment is set to increase from £309 billion to over £375 billion over the next few years, with transport and energy the principal beneficiaries. The recovery in the housing market is already well underway and, with underlying demand strong, should continue to improve in 2014/15.

With nationwide demand for our products having fallen by some 35-40% since 2008, it now seems certain that 2012 will turn out to be the low point in the cycle and I believe that we can now look forward to modest increases in volumes over the next few years.

OPERATING REVIEW

During the year we continued to improve the infrastructure of our business. While we have made great progress over the past few years, our objective is to be the best company in our sector and we still see many areas where we could be better and these will be targeted in 2014.

One of our proudest achievements since creating Breedon three years ago has been the significant progress we have made in reducing accidents and improving safety performance. The key measure of our performance in this area is the Lost Time Incidence Frequency Rate ("LTIFR"), which measures the number of accidents which result in at least one day off work, divided by 200,000 hours. Over the last two years we have managed to reduce our LTIFR by 50% each year and we targeted to do the same in 2013. Having been on track to deliver this up to October, it is disappointing to report that we had a number of accidents in the last two months which meant that we only achieved a reduction of 40%. Despite this, the trend continues in the right direction and we plan to get back on track in the current year with a target of a further 50% reduction.

Following the acquisition of Aggregate Industries' northern Scottish operations at the end of April, the Office of Fair Trading ("OFT") conducted a lengthy review of the transaction and subsequently referred the acquisition to the Competition Commission ("CC"). After publication of the CC's Notice of Provisional Findings and Notice of Final Remedies on 6 February this year, we entered into discussions with them regarding the required remedies which should be agreed by the end of April.

The overall impact of the anticipated remedies is not significant to the value of the acquisition to Breedon and we will seek to expedite any sale process of the assets concerned in order to minimise disruption and secure the future of the small number of employees affected.

Following agreement of final remedies, we will be free to pursue the full integration of the remaining operations with our existing business in Scotland and expect to deliver appreciable synergy benefits in the year to December 2014.

The whole review process took the best part of a year, absorbing a considerable amount of time for our small Head Office team, as well as incurring significant legal costs. This was exacerbated by the significant duplication of effort involved in providing much the same information to the CC as we had already provided to the OFT. Whilst we appreciate the need for the authorities to look carefully at regional and local competition issues, we cannot help feeling that the process is unnecessarily cumbersome, particularly for smaller, acquisitive companies like ours.

It is to be hoped that the forthcoming combination of the OFT and CC into the new Competition and Markets Authority will lead to a significant streamlining of the review process.

The review necessitated a pause in our business development programme, but we continue to see plenty of opportunities and expect to make further progress in 2014.

Capital expenditure increased to £13.3 million in 2013 as we approved replacement capital for the new acquisitions and continued to invest in our core business. Both acquisitions had been capital-constrained over the past few years with some mobile and fixed plant requiring immediate attention and some plant being hired as an alternative to replacement.

In Scotland, we approved a new washing plant at Beauly quarry which will enable higher quality products to be produced. We also replaced a mobile crushing plant and authorised the purchase of a mobile asphalt plant. In England, we acquired two new dumpers for Clearwell quarry in Gloucestershire and a dredger for the Astley Moss sand and gravel pit near Manchester. Most of these and other projects will deliver a payback through reduced hire costs or improved productivity. In the core business, we undertook substantial refurbishment projects at Leaton and Cloud Hill quarries and approved a major upgrade at Craigenlow quarry near Aberdeen.

Our previous acquisitions are all performing ahead of expectations. We recently approved a significant investment at Norton Bottoms quarry, which we acquired in 2011, which will increase capacity, allowing us to meet additional demand from customers. This project should be completed during the first quarter of 2014.

We continue to release cash from the sale of surplus assets, with £4.6 million generated during the year. Our largest planned asset disposal is a site at Doseley near Telford, where we have an agreement with Barratt Developments to sell around 30 acres of land for housing on a phased basis. The planning application was approved in July 2013 and the related planning agreements were signed in February 2014; we expect the first tranche of land to be sold to Barratts in 2014.

Ian Peters, who has been Breedon's Finance Director since the business was established in 2008, notified the Board in November of his intention to leave the company to pursue other opportunities. Ian has made an outstanding contribution to Breedon's success and we wish him all the best for the future. Rob Wood was appointed Finance Director with effect from 3 March 2014 and we are delighted to welcome him to Breedon. Rob was formerly Group Financial Controller at Drax Group plc and previously worked at Hanson, where he was known by both Ian and myself. I am sure he will make a great addition to our team.

BUSINESS OUTLOOK

For the first time since Breedon was formed we are not starting the year with construction output in the UK forecast to decline. The outlook has improved steadily since the end of the first quarter in 2013, with business confidence increasing and the economic indicators more positive than for some years. We therefore have genuine reasons to be optimistic about the prospects for 2014 and 2015. The year finished very strongly with good weather allowing customers to work through to the final week before Christmas, resulting in our best December for many years. Wet and windy weather in early January delayed the return to work in some areas, but underlying demand is strong and we expect volumes to pick up quickly once the weather improves.

The macroeconomic background for our industry looks better than it has for some years: UK GDP is forecast to grow by 2.7% in 2014 compared to 1.2% in the Eurozone. CPI and RPI are expected to continue to fall, as is unemployment. Recent surveys suggest that business confidence is at its highest level since the start of the recession. The NIP signals an intention by Government to fund improvements in the transport and energy sectors that will have a direct benefit to our industry.

The outlook in England appears to be somewhat better than in Scotland, particularly in the East and West Midlands where manufacturing investment is increasing, supported by local government investment and a buoyant housing market. We expect the improved market conditions to allow some cost recovery through increased pricing, which will make up some of the ground lost during the recession.

In Scotland, there are several large projects on the horizon, including the Aberdeen relief road which is currently out for tender and should start towards the end of 2014. However, Government expenditure has not been increased and therefore we are not seeing the same improvement in transport, energy and infrastructure as in England. The independence referendum in September is undoubtedly causing some uncertainty and could be delaying investment decisions.

Following completion of the Lafarge Tarmac merger and the creation of Hope Construction Materials in January last year, the industry in the UK looks more stable than it has for some years and this can only be good for Breedon. The acquisitions made last year have increased the scale of our business and will deliver ongoing benefits. We have an experienced management team and a dedicated workforce. With market conditions looking favourable, we are confident of delivering an improved performance in 2014.

Simon Vivian
Group Chief Executive
4 March 2014

CLIVEDEN HOUSE

Once one of the best-known private homes in the UK, Cliveden once played host to George I and Queen Victoria and was home to three dukes, an earl and Frederick Prince of Wales. Today it is an award-winning 5-star hotel.

When re-laying The Avenue (the main driveway) and forecourt in front of the hotel, The National Trust and London Regional Properties needed a surface which would complement both the building and the surrounding area, but which would also be able to cope with the large number of visitors, many of them driving the world's most prestigious luxury cars. The solution was 450 tonnes of Breedon Buff chippings, one of the special aggregates produced exclusively at Breedon Quarry.

FINANCIAL REVIEW

I am pleased to report on the results and financial statements of Breedon Aggregates Limited for the year ended 31 December 2013. During the year we completed two acquisitions: firstly the trade and assets of Aggregate Industries' north of Scotland operations, comprising six quarries, seven ready-mixed concrete plants, four asphalt plants and two concrete products sites; and secondly the trade and assets of four quarries and an option over a further site from Marshalls.

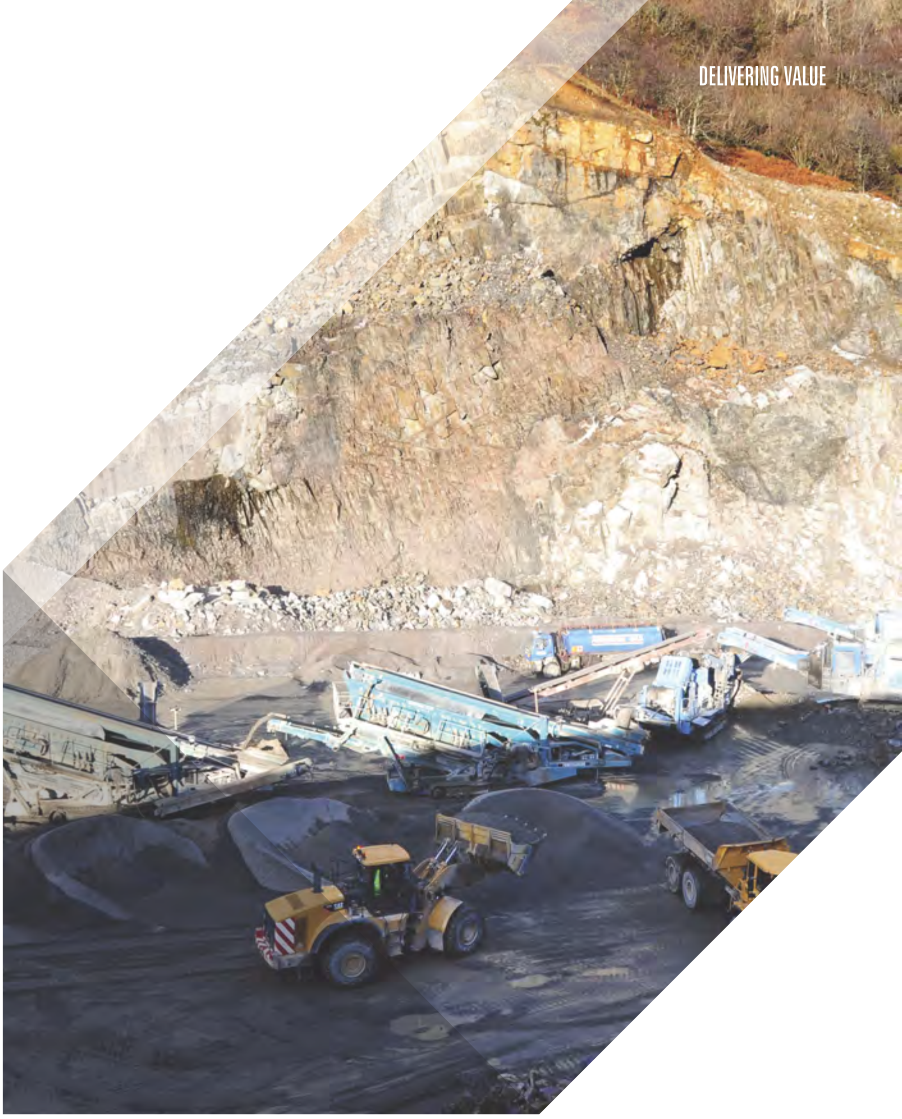
The Consolidated Financial Statements therefore incorporate the results from these operations. Total consideration for these two acquisitions was £54.0 million in cash, funded from a £61.0 million equity placing.

Revenue for the year was £224.5 million (2012: £173.5 million). Excluding revenue from acquisitions acquired during the year, revenue would have been £200.2 million (2012: £173.5 million).

Underlying earnings before our share of associated undertakings, interest, tax, depreciation and amortisation ("EBITDA") were £28.3 million (2012: £20.2 million). Of this, EBITDA of £5.3 million was generated by acquisitions. Underlying Group operating profit was £14.6 million (2012: £8.8 million). Underlying results are stated before acquisition-related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangibles and related tax items.

Profit after tax for the year was £9.4 million (2012: £5.3 million).

	2013 £000	2012 £000	Variance
Revenue:			
England	114,886	91,278	25.9%
Scotland	109,660	82,179	33.4%
Total	224,546	173,457	29.5%
Underlying EBITDA:			
England	15,760	11,562	36.3%
Scotland	15,868	11,345	39.9%
Head office	(3,361)	(2,724)	(23.4)%
Total	28,267	20,183	40.1%
Margin	12.6%	11.6%	



DIVISIONAL PERFORMANCES

The market environment showed a general improvement compared to the previous year, which was adversely affected by very wet weather in April and June. This improvement was more noticeable in England than Scotland.

The size of the business in Scotland has increased significantly with the addition of the acquired operations and the referral of this acquisition to the competition authorities has only allowed for partial integration of these assets; greater benefits from the acquisition are anticipated when the full integration process is completed during 2014.

For the 12 months as a whole, aggregates volumes were up 42.7% at 6.1 million tonnes, with both England and Scotland ahead year-on-year. Excluding acquisitions, the volume of aggregates would have been ahead 11.6%. Asphalt volumes were 14.7% ahead at 1.4 million tonnes, with asphalt volumes ahead in both England (by 14.8%) and Scotland (by 14.5%). Excluding the acquisition, asphalt volumes in Scotland would have been ahead by 3.2%. Ready-mixed concrete volumes grew by 26.5% in the year to 0.6 million cubic metres, assisted by the inclusion of the former Aggregate Industries sites. Excluding the volume from the acquired sites, ready-mixed concrete volumes were ahead 10.8%.

The full-year revenue of £224.5 million represented a 29.5% increase on 2012. Excluding revenue from the acquisitions of £24.3 million, Group revenue would have been 15.4% ahead of the prior year. The underlying EBITDA of £28.3 million was up £8.1 million, or 40.1%, year-on-year. Excluding the contribution from acquisitions, EBITDA was ahead by £2.8 million, or 13.9%, year-on-year.

As a consequence of the partial recovery in the market, careful selection of work, and the higher margins associated with acquired assets, EBITDA margins across the business in England and Scotland were improved year-on-year.

NON-UNDERLYING ITEMS

Non-underlying items in the year were a net pre-tax cost of £1.4 million (2012: credit £0.2 million) and comprised acquisition-related costs of £1.3 million and competition authority related costs of £1.1 million; a gain on the sale of property of £0.5 million and the release of a provision for environmental and planning of £0.8 million; and £0.3 million of redundancy costs. In addition, non-underlying items include a tax credit of £1.1 million (2012: £0.9 million) in respect of the agreement of prior year items.

INTEREST & TAX

Net finance costs in the year totalled £3.6 million (2012: £4.3 million) and included interest on the Group's bank facilities, amortisation of bank arrangement fees and interest on finance leases. The reduction in the levels of borrowings and finance leases had the effect of reducing interest costs in the year.

An underlying tax charge of £2.7 million (2012: £1.4 million) was recorded in the year, resulting in an underlying effective tax rate for the full year of 21.8%, influenced by the effects of the beneficial impact of the reducing UK corporation tax rate, income from associates already being taxed and of costs in Jersey for which no tax relief can be obtained.

The Group's tax strategy is to comply with all relevant regulations whilst managing the total tax burden and seeking to maintain a stable effective tax rate. The Group seeks to achieve this through operating a simple Group structure and through engagement with its stakeholders including HM Revenue & Customs ("HMRC").

The Group endeavours to structure its affairs in a tax efficient manner where there is commercial benefit in doing so with the aim of supporting investment in the business and its capital expenditure programmes. This takes into account utilisation of capital allowances and any historic losses in the business which can be offset against current year profits. The Group seeks to ensure that its actions do not adversely impact its reputation as a responsible tax payer in the following ways:

- It takes appropriate tax advice and support from reputable professional firms and parameters which govern its approach are set by the Board which regularly reviews the Group's tax strategy.
- It is open and transparent in its dealings with HMRC and deals with any queries in a timely and open manner and, in particular, responds to any tax queries quickly and on a full disclosure basis.
- Any tax affairs are administered in a lawful and responsible manner.
- It minimises uncertainty through dialogue with professional advisers and HMRC.
- All of its tax liabilities arise in the subsidiary companies in the UK and in terms of the UK corporation tax position all years up to 2011 are agreed.

The Group is responsible for submitting computations and returns in respect of Corporation Tax, National Insurance, Aggregates Levy and other taxes including VAT and PAYE and paying the resultant tax or levy.

The Group entered into the HMRC Senior Accounting Officer regime for the first time in 2013 and this will provide an opportunity to formalise the documentation of policies and procedures in relation to tax risk management.

EARNINGS PER SHARE

Basic earnings per share ("EPS") for the year were 1.08 pence (2012: 0.85 pence), struck after the non-underlying items mentioned above. Underlying basic EPS for the year totalled 1.12 pence (2012: 0.67 pence).

STATEMENT OF FINANCIAL POSITION

Net assets at 31 December 2013 were £149.0 million (2012: £79.3 million). The Company issued 290 million ordinary shares during the year in the form of an equity placing in April at 21 pence per share. A further 59 million ordinary shares were issued in exchange for Management and Marwyn Participation Shares. The balance of the increase in shares in issue was accounted for by the exercise of share options and the exercise by KBC Bank and Bank of Ireland of their holding of warrants at a price of 12 pence per share.

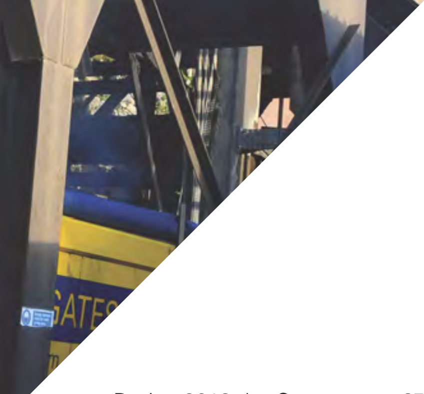
Assets acquired in the year have been valued at fair value as at the date of acquisition by the Directors, guided by third party valuations where appropriate.

The net assets are underpinned by the mineral, land and building assets of the Group, which at the end of December 2013 had a book value of £122.1 million (2012: £93.8 million).

CASH FLOW

Cash generated from operating activities was £24.9 million (2012: £14.5 million).

In addition to delivering short-term earnings growth, we are positioning the Group for the longer term and, as part of that, we are investing in the business, adding acquisitions where these make sense both strategically and financially and investing in plant and equipment. During 2013 we purchased replacement crushing and screening equipment for our mobile crushing train in the west of Scotland, replacement crushing equipment for our Orrock quarry in Fife and a second-hand mobile asphalt plant for our business in Scotland. We also upgraded our asphalt plant at Leaton in Shropshire, acquired a new mineral reserve deposit from Cemex in Fife, acquired five replacement paving machines for our contract surfacing operations and invested in plant and equipment at the newly-acquired sites to bring these operations up to a good standard.



During 2013 the Group spent £54.0 million on acquisitions, and recorded a cash spend on capital expenditure projects of £12.5 million.

We raised a net £59.9 million through the issue of shares, which was utilised to fund the acquisitions. A further £4.6 million was raised from the disposal of surplus assets in the Group, which was utilised to reduce the Group's bank debt. The reduction of finance leases totalled £5.0 million, resulting in a net cash inflow for the year of £12.4 million (2012: inflow £7.2 million).

Net debt at 31 December 2013 was £54.4 million (2012: £74.1 million). The ratio of net debt to EBITDA reduced to 1.9x down from 3.7x at the end of 2012.

BANK FACILITIES

The Group's bank loans have a maturity date of 5 September 2015 and are subject to a floating interest rate based on LIBOR plus margin. At 31 December 2013, total undrawn facilities available to the Group amounted to £29.6 million.

The Group's bank facility is subject to covenants which are tested quarterly. These covenants are: Group interest cover, minimum underlying EBITDA and Group cash flow cover. At 31 December 2013, the Group comfortably complied with all three covenants. Based on our current estimates, we expect to comply with all our covenants for the foreseeable future.

The Group has in place interest rate hedges which mitigate the risk of interest rate rises on the Group's bank loans (see note 20 to the financial statements).

DIVIDENDS

Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. However, for now the main focus of the Group will be on delivering capital growth for shareholders.

RISK MANAGEMENT

Risk is an inherent and accepted element of doing business and effective risk management is fundamental to how we run our business and underpins the delivery of the Group's objectives.

The Group's approach to risk management is to identify key risks and then to develop actions or processes within the business to eliminate or mitigate those risks to an acceptable level.

RISK MANAGEMENT PROCESS

Risk management processes are embedded throughout the organisation and assist management in identifying and understanding the risks they face in delivering business objectives and the key controls they have in place to manage those risks.

The Board is responsible for the Group's system of risk management and internal control and for reviewing their effectiveness. The Group Finance Director provides a twice-yearly update to the Board on the key risks and controls within the Group, highlighting the roles and responsibilities of key management in managing those risks. The Board has concluded that the Group maintained sound risk management and internal controls throughout the year. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

PRINCIPAL RISKS

The Group operates in an economic and business environment in which risks and uncertainties exist, not all of which are necessarily within its control. Whilst acknowledging that it is not possible to eliminate such risks and uncertainties completely, established risk management and internal control systems and procedures exist within the Group to mitigate their impact.

The Board recognises that there are likely to be other risks and uncertainties which are currently unknown but believes that the Group's risk management approach will continue to help in identifying and responding to such risks.

We have identified the principal risks which could adversely impact the financial position of the Group or impact its ability to meet its strategic objectives. Set out on the following pages is a description of those principal risks, together with the mitigating factors or action we have taken.

ECONOMIC ENVIRONMENT

Changes in the UK macro-economic environment may cause the Group's customers to cancel, reduce or postpone expenditure on projects that create demand for our products. Difficult economic conditions also increase the Group's exposure to credit risk among its customers.

Impact	Mitigation
Any significant changes in the level or timing of customers' expenditure could impact on the Group's activity levels.	Although government expenditure does play a large part in generating demand for the Group's products, the Group has a broad exposure to various end-uses for its products, including private housing, commercial and industrial development and infrastructure projects, and responds quickly to evolving market requirements.
Failure of a significant customer could result in non-collection of amounts owed.	The Group supplies a diverse customer base, with no single customer accounting for more than 5% of sales. The financial solvency of our customers is always considered before supplying them and we maintain credit insurance cover over the majority of our private sector debtors.
Reduced demand can lead to larger competitors trading down to smaller contracts and increasing competitive pressure on our business. These competitors may also seek to reduce prices in the short term to secure market share.	The Group works hard to develop relationships with its customers and attempts to provide a high level of service that fosters a degree of loyalty. Furthermore, the Group is a low-cost producer in all its regions, helped by investment in both new products and modern, efficient plants, and is able to sustain short-term price erosion.
The Group is heavily reliant on energy and fuel oil to produce its products and to get them to market. Increases in the costs of these essential inputs can have a significant effect on the Group's cost base.	The Group operates a strategic purchasing plan which attempts to spread the risk by a combination of better buying, fixed-term contracts and spot prices. However, we remain exposed to inflationary cost increases on bitumen, gas-oil and diesel. The solution is to pass on these additional costs to our customers through price increases and forward-pricing, although inevitably, due to the nature of the contracts we have to supply and lay materials, there will be a time lag between the date we start paying additional costs and the date from which we are able to recover these costs in the market.

LIQUIDITY

Liquidity risk is the risk that the Group does not have sufficient financial resources to meets its obligations as they fall due.

Impact	Mitigation
Unavailability of sufficient borrowing facilities to enable the servicing of liabilities and the inability to refinance facilities as they fall due or to comply with borrowing covenants.	The Group manages liquidity risk by continuously monitoring forecasts and cash flows and planning its expenditure and available facilities accordingly. The Group uses term and revolving bank facilities and sufficient headroom is maintained above peak requirements to meet unforeseen events. There is adequate headroom against covenants based on the Group's internal forecasts.
Fluctuation of interest rates could impact on Group profitability and covenant headroom.	The Group has a policy of operating with a combination of capped and floating interest rates and targets to have at least half its interest on term debt capped at any time.

LEGAL AND REGULATORY

The Group operates in a highly regulated environment and is subject to a number of complex, demanding and evolving legal, tax and regulatory requirements.

Impact	Mitigation
A breach of these laws and regulations could lead to legal proceedings, investigations or disputes resulting in a disruption of business and potential reputational damage.	The Group monitors and responds to legal and regulatory developments and benefits through its membership of the Mineral Products Association, which assists in the implementation of any new regulation. The Group also participates fully in the consultation process in respect of new regulation in an effort to ensure that any new measures are workable and achievable, whilst minimising the impact on the environment of delivering products which are fundamental to the economic well-being of the communities in which we operate.
Planning consents are required in order to utilise the Group's mineral reserves and to build and operate added-value processing facilities such as asphalt and concrete plants. The planning regime is strict and gaining permissions is challenging. Failure to be seen to be a responsible operator may impact on future sustainability of Group operations.	The Group tries to involve all stakeholders in early consultation and regularly meets with local communities in organised liaison groups in areas where communities are impacted by its operations.
Increased focus on the sector by the competition authorities could increase the cost of growing the business through acquisition.	The experience gained in 2013 will assist the Group in assessing the competitive overlap of future acquisitions so that associated costs can be mitigated.

HEALTH & SAFETY AND ENVIRONMENT

Health and safety is a key issue in the sector in which the Group operates. Improvements have been made across the industry in recent years and continued improvement is sought in order to make it a safer industry for our employees, customers and suppliers to operate in.

Impact	Mitigation
Failure to manage these risks could expose the Group to significant potential liabilities and reputational damage.	Safety sits at the top of every agenda within the Group. Detailed health and safety policies and procedures exist to minimise such risks and are subject to review and monitoring by the executive management team. The Group also employs experienced health and safety advisers who provide advice and support to line management. All managers are engaged in regular on-site discussions with employees regarding health and safety and their understanding of the risks in the workplace. Management, training and control systems are in place to minimise and prevent these risks. These systems are reviewed regularly and all new plant and equipment is specified with these risks in mind.

PEOPLE

The success of the Group depends on its ability to recruit and retain the best management and employees, who have the appropriate competencies and also share the Group's values and behaviours.

Impact	Mitigation
Failure to recruit and retain the right people could have an adverse impact on the Group's ability to deliver on its strategic objectives.	Annual performance reviews take place to assess the performance, competency and potential of all management in the Group. Appropriate remuneration and incentive packages are in place to assist in the attraction and retention of key employees.

KEY PERFORMANCE INDICATORS

The Group uses the following financial and non-financial key performance indicators ("KPIs") to measure the operational and strategic performance of the business.

Earnings per share and market value growth

The primary performance indicators are the Group's underlying earnings per share and market value growth. Our aim is to increase earnings per share each year, both through the growth of our existing business and through acquisition.

EBITDA & EBITDA margin

The Group uses business-unit underlying EBITDA and EBITDA margin as the key performance indicators to monitor the progress of each of our business units towards our overall targets.

Net debt to EBITDA

The ratio of net debt to EBITDA is monitored as a measure of the Group's leverage.

Cash management

The level of cash generation within the Group is monitored as a KPI to ensure that available facilities meet the needs of the business.

Non-financial KPIs

Non-financial KPIs include the monitoring of mineral reserves based on quarry life, taking into account consents gained and minerals extracted, to ensure the sustainability of this key asset to the Group. Other non-financial KPIs include those in respect of health and safety, particularly Lost Time Incident Frequency Rates. This is the frequency rate of injuries resulting in an employee being absent for one or more shifts.

Other KPIs

The Group also monitors a range of other KPIs, including bitumen and cement costs per tonne, carbon emissions per tonne and interest cover.

Ian Peters
Director
4 March 2014

MALDIE DAM

npower's new hydropower project on the Maldie Burn near Kylestrome in Sutherland will generate up to 4.5MW and power around 2,500 homes. Breedon supplied material for around five kilometres of site access roads, followed by a substantial quantity of structural concrete for a dam intake structure and powerhouse.

It was a particularly challenging project given that the materials had to travel for around 1½ hours by road from our nearest quarry at Morefield, whilst maintaining continuity of pumping.

CORPORATE SOCIAL RESPONSIBILITY

Breedon Aggregates recognises the importance of balancing the interests of its key stakeholders – employees, customers, investors, suppliers and the wider community in which we operate.

HEALTH AND SAFETY

Breedon Aggregates is committed to providing and maintaining a safe environment for all of our employees, customers and other visitors to our premises and to complying with all relevant health and safety legislation. Our ultimate goal is to achieve Zero Harm throughout our operations, an objective that we introduced in 2011 and captured in the logo which has continued to feature prominently across our business.

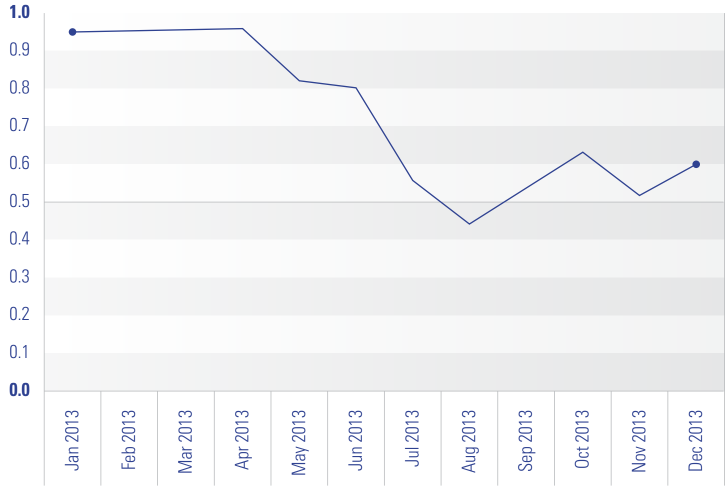
In pursuit of this objective we aim to:

- protect the health of our employees with suitable, specific, work-based strategies;
- seek to minimise the risk of injury from their activities;
- ensure that, through senior management participation, sufficient resources and information are made available, and suitable management systems are in place, to address health and safety matters; and
- encourage the involvement of employees and aim for continual improvement in health and safety standards through a formal reporting and review process.

Compliance with Group policy is monitored and reviewed centrally and a comprehensive monthly health and safety report is produced for the Board. The Group Chief Executive has been designated by the Board as the director responsible for health and safety matters.

The Group Chief Executive chairs our Health and Safety Committee comprising the Group Finance Director, and the Chief Executives and Health and Safety Managers of Breedon Aggregates England and Breedon Aggregates Scotland. The principal objective of the Committee is to ensure a co-ordinated approach to the Group's management of all Health, Safety and Environmental ("HSE") issues.

LTIFR 2013



The Group aims for continuous improvement in health and safety KPIs, including our Accident Incidence Rate, Lost Time Injury Frequency Rate ("LTIFR"), and Lost Time Injury Severity Rate. Performance against these KPIs is reported monthly. We also report monthly on the number of near misses reported in our business, as we firmly believe that today's near miss is tomorrow's preventable incident, and our focus on this area of reporting resulted in a 116% increase in reported near misses in 2013 (following a similar increase in the previous year). We now have an average of some 7 near misses reported for every working day.

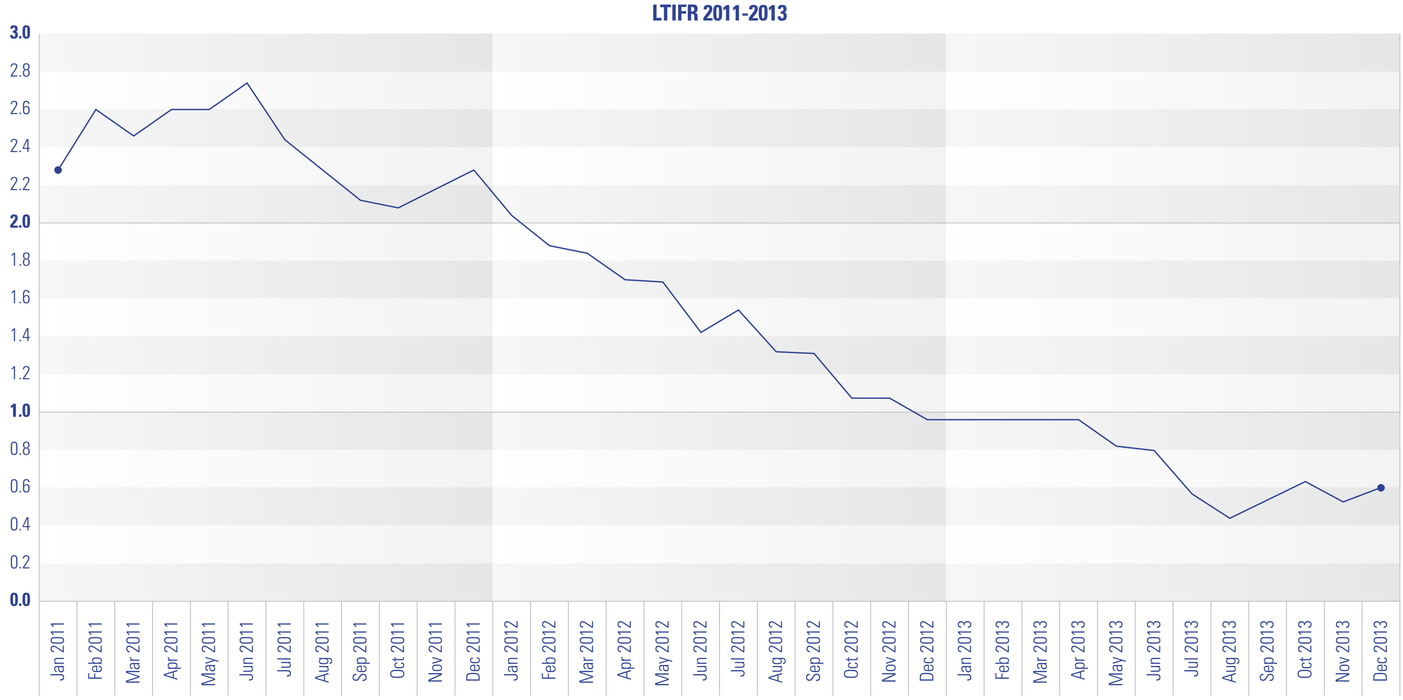
The graph above shows the improving trend in the Group's LTIFR over the last 12 months whilst the graph below shows the 3 years since Breedon Aggregates was created.

The major drivers of these improvements have been:

- extensive use of near miss analysis to identify areas of concern and proactively manage them;
- revising and clearly defining the standards of behaviour expected from all employees; and
- increasing employees' accountability for behaviours and standards.

We were disappointed that we fell short of our target of a 50% reduction in the LTIFR in 2013, when the actual improvement achieved was 40%, and we are redoubling our efforts in 2014 to achieve a targeted improvement of 50% again, as we did in 2012.

LTIFR 2011-2013



As previously reported, we also operate two important HSE initiatives across our Group and these are now embedded in the HSE culture of Breedon Aggregates:

1. **A Visible Felt Leadership** ("VFL") and Behavioural Safety programme, under which all senior managers are committed to undertaking a minimum number of VFL visits per annum to our operations. During these visits they closely observe what is happening in the workplace and engage employees in a dialogue about how their tasks might be undertaken more safely. In 2013 there were over 1,800 VFL visits recorded, more than double the prior year; and

2. **Breedon Basics,** a series of non-negotiable safety rules with which every employee in the Group has signed up to comply, to help the Group achieve its ultimate goal of Zero Harm.

EMPLOYEE ENGAGEMENT

One of our most successful initiatives has been our ***Best of Breedon*** scheme, which encourages employees to come up with practical suggestions for ways we can improve the performance of our business.

Since the scheme was launched at the end of 2010, we have received over 260 suggestions, the great majority of which have been of great practical value to the Group. The most outstanding suggestions have received ***Best of Breedon*** awards: the winners have been rewarded with attractive prizes and their suggestions have been quickly implemented in the business. These have led to a real improvement in the performance of certain of our operations and valuable associated cost-savings. Examples of recent suggestions adopted include: health & safety improvements that were nominated for a national industry award; using redundant conveyor belts to prevent dust dispersion; and installing inexpensive high-street cameras to make internal inspections of aggregate bins safer and easier.

In 2011, we introduced the ***Breedon GoodQuarry*** scheme, designed to raise operational standards across the Group, identify best practice and highlight those units which were underperforming in key areas. The purpose of GoodQuarry is to ensure that all our operations deliver the highest possible standards of safety, environmental and planning compliance, maintenance, efficiency and community relations.

Twelve units matched the exacting standards of the scheme in the first two years of the scheme and a further 4 units achieved GoodQuarry status in 2013. Improvement plans have been put in place for others in preparation for future audits.

Following the success of GoodQuarry in creating a business excellence aspiration across the Group, we have now developed a ***Breedon GoodContracting*** scheme to ensure a similar approach across all of our surfacing operations.

All of our employees are kept up-to-date on our activities through our internal newsletter, ***From the Rock Face***, which provides information on the performance of the business, major developments in the Group such as acquisitions and new planning consents, and significant HSE initiatives, as well as keeping employees updated on many of the interesting activities of their colleagues such as charitable events and sporting achievements. In 2013 we also launched additional publications to keep employees updated on our energy and vehicle management activities.

EDUCATION AND TRAINING

Our people are the cornerstone on which our business is built and we recognise the importance of ensuring that we maintain their skills and knowledge at the highest possible level. During 2013, four employees of Breedon Aggregates Scotland graduated from the University of Derby with a Diploma in Quarry Engineering through the Institute of Quarrying. The business has also been active in Vocational Qualification programmes that have attracted significant funding through Skills Development Scotland for S/NVQ's in mobile plant, RMX plants, asphalt plants and crushing plants together with S/NVQ's in the contracting business in both surfacing & civil engineering disciplines. These programmes help to ensure that our workforce is operating within the National Occupational Standards and complying with the MPA's Safer by Competence Directive. Breedon Aggregates England has also trained a large number of quarry operatives & managers to complete their QCF as part of the Safer by Competence campaign.

We also recognise that if we are to preserve and improve the skills and knowledge in our business, we need to foster young talent. We have therefore expanded on our 2012 intake of apprentices by taking on trainees in our workshops at Dunbeg near Oban and in our Shierglas quarry.

In addition, for the first time in 2013 we supported the Highlands & Islands Celebration of Engineering & Science which brings together local schoolchildren from both primary and secondary schools to showcase their science and engineering projects and to take part in challenges set by local companies.

ENVIRONMENTAL

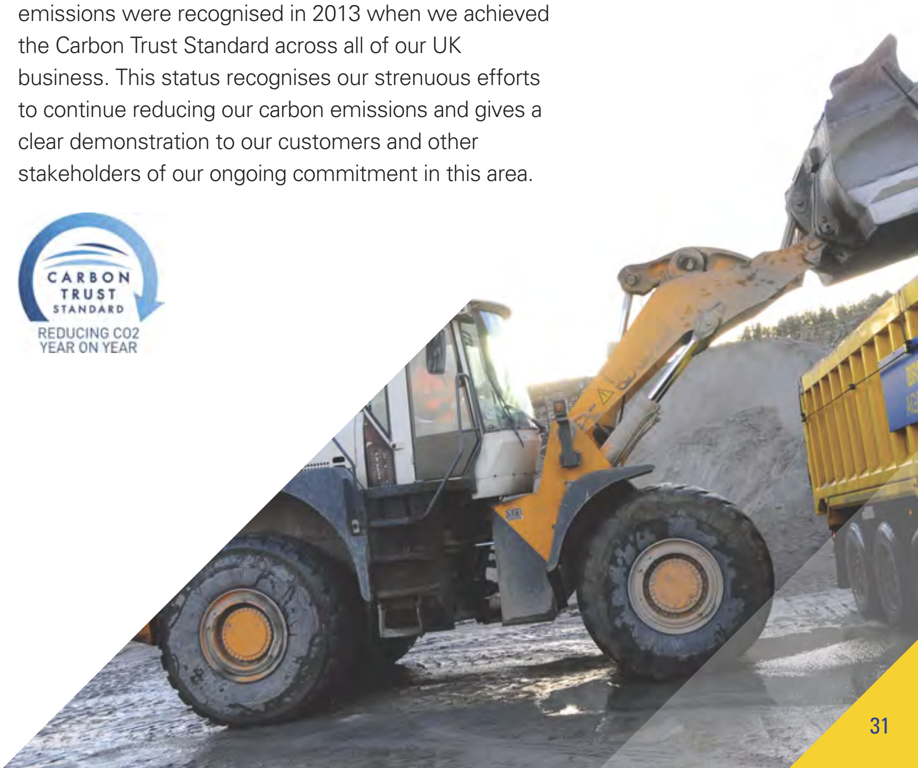
Continuous improvement in our environmental performance is critical to ensuring that our activities comply fully with environmental standards and legislation. All of Breedon Aggregates' units (including those acquired during the year) have achieved BS EN ISO 14001:2004 accreditation. We are also continuing to develop our BES 6001 sustainability accreditation which takes into account carbon management, water usage, reducing the impact of transport and the use of renewable and recycled materials. All of Breedon Aggregates England's concrete and mortar operations have achieved this standard and work is underway on securing the same accreditation for its asphalt operations during the current year.

CORPORATE CARBON POLICY AND CARBON MANAGEMENT PLAN

We have maintained our commitment to improving energy efficiency and reducing carbon emissions in our operations. We have developed a Carbon Management Policy and Carbon Management Plan that provide the focus for our future work on carbon reduction. The original Plan set a target to reduce our emissions by 10% by the end of 2014 and that target was achieved a year early, by the end of 2013. In 2013 alone we delivered a 7% reduction in our carbon intensity per tonne of material produced. We have therefore now set ourselves a new target of a further 10% reduction in emissions by the end of 2015, whilst maintaining the production levels required to meet demand.

Our continuing achievements in reducing carbon emissions were recognised in 2013 when we achieved the Carbon Trust Standard across all of our UK business. This status recognises our strenuous efforts to continue reducing our carbon emissions and gives a clear demonstration to our customers and other stakeholders of our ongoing commitment in this area.

CARBON TRUST STANDARD
REDUCING CO2 YEAR ON YEAR



We are continuously seeking ways to improve our energy usage and we are working towards converting all of our asphalt plants to using waste oil to power their burners. We are also continuing to invest in dedicated covered storage units around the Group for our fine aggregates, which will generate a significant reduction in the energy required in the heating and drying processes, and we have developed a suite of energy usage measurement KPIs which will allow us to identify opportunities for even further improvement.

We recognise that none of these initiatives will be successful unless our employees understand the benefits that they will bring to both their business and the environment. We are therefore rolling out a series of road-shows in 2014 which will give every employee an opportunity to hear what we are trying to achieve and to give us the benefit of their feedback and ideas on how we might make even more improvements both locally and across the Group as a whole.

We continue to work hard to improve our recycling performance. In England, Breedon Aggregates uses up to 20% RAP (Reclaimed Asphalt Pavement) in its base and binder course materials. In Scotland, our plants at Ethiebeaton, Orrock, Elgin and Oban have been fitted with RAP feed systems which allow us to recycle up to 20% reprocessed asphalt planings as RAP in standard hot mix asphalt base and binder course materials. In 2013, our use of RAP in our Scottish operation increased more than seven-fold. Asphalt planings that come back from contracting sites are also routinely reprocessed into type 1 sub-base. In addition, we use recycled incinerator bottom ash as aggregate in our Ethiebeaton asphalt plant.

Our continuing commitment to encouraging local species in our quarry development plans was demonstrated when our Leaton quarry near Telford in Shropshire joined our Lloyds quarry in Flintshire as members of the Wildlife Trust. This allows staff from the Trust to visit the sites to study the flora and fauna that can be found around the quarries, and our own employees have also taken the opportunity to become involved in their work.

COMMUNITY ENGAGEMENT

We have established a number of community liaison groups to encourage dialogue between our businesses and the communities in which they operate, tackling such important issues as planning and development, transport and road usage, and community support.

During the year, in conjunction with work being undertaken by the MPA and the Highlands Council, we took part in a number of initiatives aimed at helping to protect vulnerable road users, particularly cyclists. We have added a range of additional sensors, mirrors and cameras to many of our trucks which operate in busy areas.

We again made contributions to a number of deserving causes in the communities in which we operate. These included contributions of materials to schools, village halls, churches and memorial projects around the country. One such donation took the form of a 30 tonne block of granite from our Craigenlow quarry in Aberdeenshire, which was sculpted into a magnificent monument to commemorate Captain Scott's ill-fated 1912 expedition to the South Pole, initially planned at Glen Prosen in Angus where the monument now stands.

Following our acquisition of the Breedon Hebrides operations in May 2013, we were delighted to be able to honour their commitment to sponsor the Western Isles Island Games Association's 15-strong team, which competed in the 2013 NatWest Island Games in Bermuda in June and July. We have also agreed to continue our successful sponsorship of the Highland League Cup, a high-profile football tournament played across our Scottish heartlands and one of a number of local and regional sporting organisations and events supported by Breedon Aggregates north and south of the border.

BEAULY TO DENNY POWERLINE

The key project in a £1.1 billion upgrade of Scottish Hydro's transmission network is the 120 mile-long Powerline being built between Beauly in the remote north of Scotland to Denny near Stirling. It will transport electricity from on and offshore wind turbines, hydro-generation schemes and tidal power in the remote north of Scotland into the densely populated Central Belt.

Breedon has supplied a specially designed ready-mixed concrete to main contractor Balfour Beatty for 300 of the 575 pylon bases, each of which needs between 100 and 160 cubic metres of concrete. Our joint venture Mobile Concrete Solutions has also supplied material from one of its mobile plants for 40 pylon bases in the remote Corrieyairack Mountains.

DIRECTORS

Simon Vivian
Group Chief Executive

Simon has over 25 years' experience in the aggregates and construction industries. He worked in a number of roles with Hanson PLC 1987-2003, ultimately as a main board director and Chief Executive of Hanson's European Building Materials business. He oversaw operations in eight European countries, employing over 8,000 people with revenues of over £1.5 billion. Whilst with Hanson, he executed and integrated a number of acquisitions and managed the disposal of the company's waste management business, Greenways, for £185 million.

From 2004 to 2006 Simon was Chief Executive of Mowlem PLC, where he led an organisation with over 25,000 employees, generating revenues of £2.2 billion from operations in the UK, USA and Australia. He has been Group Chief Executive of Breedon Aggregates Limited since its formation in 2010 through the reverse acquisition of Breedon Holdings by Marwyn Materials, the AIM-listed company he co-founded with Peter Tom.

Peter Tom CBE
Executive Chairman

Peter has more than 50 years' experience in the aggregates industry. He joined Bardon Hill Quarries Limited as a school-leaver in 1956, becoming Managing Director in 1977 and Chief Executive of Bardon Group plc in 1985. He went on to lead the merger of Bardon and Evered plc in 1991 and the enlarged group's subsequent merger with CAMAS in 1997 to form Aggregate Industries plc.

Following the acquisition of Aggregate Industries by Swiss building materials Group Holcim Limited for £1.8 billion, he served as non-executive Chairman of Aggregate Industries until his resignation in December 2007. He has been Executive Chairman of Breedon Aggregates Limited since its formation in 2010 through the reverse acquisition of Breedon Holdings by Marwyn Materials, the AIM-listed company he co-founded with Simon Vivian in 2008 to consolidate the smaller end of the heavyside building materials industry. Peter has been Chairman of Leicester Rugby Football Club (Leicester Tigers) since 1997. He is also Chairman of Leaf Clean Energy Company and of the Channel Islands Property Fund.

Susie Farnon [1,2,3]
Non-executive Director

Susie was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and Head of Audit at KPMG Channel Islands from 1999. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of The States of Guernsey Audit Commission and The Guernsey Public Accounts Committee. She is Vice-Chairman of The Guernsey Financial Services Commission and a non-executive director of a number of listed and unlisted companies. Susie was appointed to the Board of Breedon Aggregates Limited on 1 November 2010 and became the Senior Independent Director in January 2012.

David Williams [2]
Non-executive Director
David has significant experience in the investment market. He has served as Chairman in executive and non-executive capacities for a number of companies, both public and private. He has built a reputation for creating significant shareholder value through both organic and acquisitive growth, as well as leading turnaround situations.

David Warr [1,2]
Non-executive Director
David is a Chartered Accountant and a Fellow of the Institute of Charted Accountants in England and Wales. He became a partner of Reads & Co, a Guernsey based practice of Chartered Accountants in 1981 and helped develop it into a broadly based financial services business which was sold in 1999. David currently holds a number of non-executive directorships including Threadneedle UK Select Trust Limited, Schroders Real Estate Investment Trust Limited, Acorn Income Fund Limited, Crystal Amber Fund Limited, Unigestion (Guernsey) Limited, Mid Europa Fund Management Limited and The Guernsey Community Foundation LBG.

Rob Wood
Group Finance Director
Rob has over 10 years' experience in the international building materials industry. Rob qualified as a Chartered Accountant with Ernst & Young and subsequently joined Hanson PLC where he held a number senior positions including Finance Director Brick Continental Europe, Finance Director Building Products UK and Chief Financial Officer Australia & Asia Pacific. Following the acquisition of Hanson PLC by HeidelbergCement AG Rob returned to the UK and joined Drax Group plc as Group Financial Controller. During his time at Drax Group plc he also spent a period of time as Head of M&A. Rob was appointed to the Board on 3 March 2014.

Key:
1 Member of the Audit Committee
2 Member of the Remuneration Committee
3 Senior Independent Director

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements, for the year ended 31 December 2013.

PRINCIPAL ACTIVITY & BUSINESS REVIEW

Breedon Aggregates Limited's principal activity is as a holding company for companies involved in the quarrying, production and sale of aggregates and related activities. Further details of the Group's activities and future developments are included in the Chairman's Statement on pages 10 to 12, and in the Chief Executive's Review on pages 14 to 18.

RISK MANAGEMENT

The Board is ultimately responsible for risk management and continues to develop policies and procedures that reflect the nature and scale of the Group's business. These are designed to identify, mitigate and manage risk, but they cannot entirely eliminate it. Further details of the key areas of risk to the business identified by the Group, together with the Group's operational key performance indicators, are included in the Financial Review on pages 20 to 26.

RESULTS & DIVIDENDS

For the year to 31 December 2013, the Group's profit before tax was £11.0 million (2012: £5.8 million) and after tax was a profit of £9.4 million (2012: £5.3 million). Subject to availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so.

STATED CAPITAL

Details of the Company's shares in issue are set out in note 18 to the financial statements.

DIRECTORS

The following directors served during the year. Biographical details of the Directors (except for Ian Peters*) can be found on pages 34 to 35 and details of the Directors' service contracts are given in the Directors' Remuneration Report on pages 44 to 48.

Peter Tom CBE	Executive Chairman
Simon Vivian	Group Chief Executive
Ian Peters	Group Finance Director*
Susie Farnon	Independent Non-executive Director
David Warr	Independent Non-executive Director
David Williams	Non-executive Director

* Ian Peters resigned as Group Finance Director on 3 March 2014 and will resign from the Board on 10 March 2014. Rob Wood was appointed to the Board as Group Finance Director on 3 March 2014.

Directors	Ordinary Shares	
	31 December 2013	31 December 2012
Peter Tom CBE (and family)	47,741,867	34,966,665
Simon Vivian (and family)	16,466,347	3,444,445
Ian Peters	6,337,348	1,944,445
Susie Farnon	1,714,365	1,650,000
David Warr	5,055,556	5,055,556
David Williams	13,712,133	13,712,133

DIRECTORS' INTERESTS

The Directors in office at 31 December 2013 had interests in the issued share capital of the Company as shown in the table above.

All the interests are beneficial, unless indicated otherwise. Except as disclosed in note 19 to the financial statements, no Director has any interests in the issued share capital or loan stock of any subsidiary undertaking.

There were no changes in the Directors' interests between 1 January 2014 and 4 March 2014.

SUBSTANTIAL SHAREHOLDINGS

The Company is aware that, as at 14 February 2014, other than the Directors, the interests of shareholders holding 3% or more of the issued share capital of the Company was as shown in the table below.

EMPLOYEES

The Group recognises the importance of employee involvement in the operation and development of its business units, which are given autonomy, within a group policy and structure, to enable management to be fully accountable for their own actions and gain maximum benefit from local knowledge. Employees are informed by regular consultation and internal newsletters of the progress of both their own business units and the Group as a whole.

Beneficial Holder	Ordinary Shares	
	Number	%
Invesco Asset Management Ltd	294,477,778	29.25
Marwyn Value Investors LP	146,223,698	14.52
AXA Framlington	70,465,333	7.00
Aviva plc and its subsidiaries	65,980,792	6.55
Ravenscroft Investment Management	65,942,491	6.55
Lansdowne Partners	35,833,301	3.56
Threadneedle Asset Management	31,404,230	3.12

The Group is committed to providing equal opportunities for individuals in all aspects of employment, and considers the skills and aptitudes of disabled persons in recruitment, career development, training and promotion. If existing employees become disabled, every effort is made to retain them, and retraining is arranged wherever possible.

POLITICAL CONTRIBUTIONS

The Group did not make any contributions to political parties during either the current or the previous year.

ANNUAL GENERAL MEETING

Shareholders are being asked at the forthcoming Annual General Meeting to grant the Directors authority to allot up to 250,000,000 ordinary shares. Shareholders are also being asked to grant the Directors authority to allot, for cash otherwise than in connection with a rights issue, up to 156,320,000 ordinary shares, which is approximately 15% of the current issued ordinary share capital of the Company (as adjusted for the potential exercise of the outstanding warrants). The Company did not purchase any of its ordinary shares during the year. However, the approval of shareholders is being sought to renew the existing authority to purchase its own shares.

If granted, and unless previously renewed, varied or revoked, each of the authorities described above shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 or within 12 months from the date of approval of the authority, whichever shall be the earlier.

GOING CONCERN

The Group meets its day-to-day working capital and other funding requirements through its banking facility, which includes an overdraft facility, and which expires in September 2015. Further details of the Group's bank facilities are given on page 23.

The Group actively manages its financial risks as set out in note 20 to the financial statements and operates Board approved financial policies, including interest rate hedging policies, that are designed to ensure that the Group maintains an adequate level of headroom and effectively mitigates financial risks.

On the basis of current financial projections and facilities available, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who hold office at the date of this Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all steps that he or she ought to have taken to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

AUDITOR

KPMG Channel Islands Limited, has expressed willingness to continue in office and, in accordance with Article 113 of the Companies (Jersey) Law 1991, a resolution to reappoint KPMG Channel Islands Limited will be proposed at the forthcoming Annual General Meeting.

By order of the Board

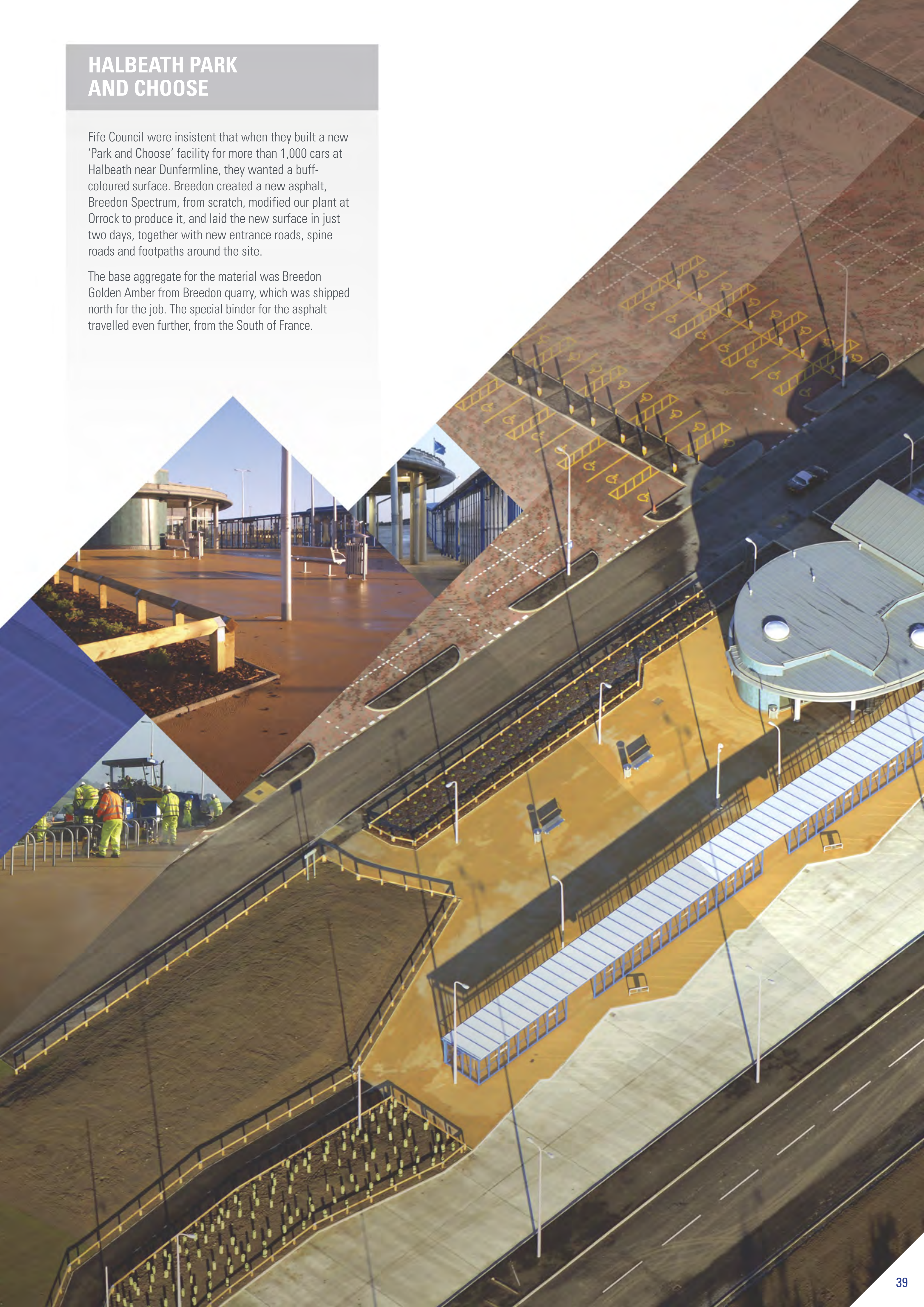
Peter Tom CBE	**Simon Vivian**
Executive Chairman	**Group Chief Executive**

4 March 2014

HALBEATH PARK AND CHOOSE

Fife Council were insistent that when they built a new 'Park and Choose' facility for more than 1,000 cars at Halbeath near Dunfermline, they wanted a buff-coloured surface. Breedon created a new asphalt, Breedon Spectrum, from scratch, modified our plant at Orrock to produce it, and laid the new surface in just two days, together with new entrance roads, spine roads and footpaths around the site.

The base aggregate for the material was Breedon Golden Amber from Breedon quarry, which was shipped north for the job. The special binder for the asphalt travelled even further, from the South of France.



CORPORATE GOVERNANCE

As an AIM listed company the Company is not required to comply with the UK Corporate Governance Code and it has not voluntarily elected to do so. The Directors however recognise the value of strong corporate governance and the Company has therefore sought to comply, as far as it is appropriate to do so, with the Corporate Governance Code for Small and Mid-size Quoted Companies published by the Quoted Companies Alliance in 2013 (the "QCA Code"), in respect of the accounting year ended 31 December 2013.

The purpose of this statement is to describe the Company's approach to corporate governance and, in particular, to explain how the Company has applied the QCA Code.

THE BOARD OF DIRECTORS

The current Board comprises the Executive Chairman, two executive directors, two independent non-executive directors and one non-executive director who is not considered to be independent.

The Board considers that each of the non-executive directors brings a senior level of experience and judgement to bear on issues of strategy, performance, resources (including key appointments) and standards of conduct. Susie Farnon is the Company's Senior Independent Director.

Biographical details of the Directors are set out on pages 34 and 35.

The Board is provided with regular and timely information on the financial performance of businesses within the Group, and of the Group as a whole, together with other trading reports, contract performance and market reports and data, including reports on personnel related matters such as health and safety and environmental issues. Six formal board meetings are held each year to consider those matters which have been specifically reserved to the Board for review and decision, including the management of assets to maximise performance and the control of the operation of the business, to review corporate strategy and the progress of individual business units, and to discharge the Directors' other duties. The Board has adopted a schedule of Matters Reserved to the Board which is available to view on the Group's website, and it keeps this under regular review.

Where it considers it necessary to do so, the Board instructs external professional advisors to provide advice and guidance on any matter where it considers it prudent to seek such advice. All members of the Board are able to take independent professional advice at the Company's expense in the furtherance of their duties.

The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis.

Ordinarily, to enable this evaluation to take place, the Company Secretary circulates a detailed questionnaire plus a separate questionnaire for the evaluation of the Chairman. The questionnaires, once completed, are returned to the Company Secretary who collates responses, prepares a summary and discusses the Board evaluation with the Chairman prior to circulation to the remaining Board members. For the evaluation of the Chairman, the results are discussed with the Senior Independent Director who then discusses them with the Chairman prior to further distribution to the remaining Directors.

The evaluation of the Board and the Chairman concluded that the Board members and the Chairman are contributing to the overall effectiveness of the Board with a focus on accountability, strong governance and effective management of risk in the delivery of our overall strategy.

The Directors explain their responsibilities for preparing the financial statements on page 50 and the Report of the Independent Auditor on page 51 contains a statement of its reporting responsibilities.

BOARD COMMITTEES

Throughout the year the Board maintained two standing committees, the Remuneration Committee and the Audit Committee.

	Board		Audit Committee		Remuneration Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
Peter Tom CBE	6	6	-	-	-	-
Simon Vivian	6	6	-	-	-	-
Ian Peters	6	6	-	-	-	-
Susie Farnon	6	6	2	2	5	5
David Warr	6	6	2	2	5	5
David Williams	5	6	-	-	5	5

Remuneration Committee

Throughout the year, the Remuneration Committee comprised solely of non-executive directors. David Williams, David Warr and Susie Farnon served on the Remuneration Committee throughout the year. David Williams is chairman of the Committee. The Executive Chairman makes himself available to the Committee to discuss the performance of other executives and to make proposals as necessary. The Remuneration Committee's responsibilities are to make recommendations to the Board on terms of service, remuneration and benefits of the executive directors and senior executives of the Group. Where it considers it prudent to do so, the Committee engages external remuneration consultants to advise and assist it. Further details of the terms of reference of the Remuneration Committee are set out in the Directors' Remuneration Report on pages 44 to 48 and are available on the Group's website.

Audit Committee

David Warr and Susie Farnon served on the Audit Committee throughout the year. David Warr is chairman of the Committee. Written terms of reference have been agreed for the Audit Committee and these are available on the Group's website, and further details of the activities of the Committee are given in the Audit Committee Report on pages 42 and 43.

Nominations Committee

The Board has considered the possible requirement for a Nominations Committee and it has concluded that, as the Board is small, there is no current need for a separate Nominations Committee and the appointment of any new directors of the Company will be considered by the Board as a whole. This situation will be periodically reviewed.

MEETING ATTENDANCE

The Board met formally 6 times during the year and the attendance of the Directors, who held office at 31 December 2013, at each meeting together with attendance at committee meetings, is set out in the table above. This table shows only those meetings which each director attended as a member rather than as an invitee.

SHAREHOLDER RELATIONS

The Company is committed to maintaining good communications with its shareholders. Members of the Board have meetings with institutional shareholders to aid understanding of the Group's strategic objectives and performance, and all shareholders are encouraged to participate in the Company's Annual General Meeting.

David Williams and David Warr, as chairmen of the Remuneration and Audit Committees respectively, and Susie Farnon, as Senior Independent Director, will be available to answer questions at the forthcoming Annual General Meeting. In addition, proxy votes will be counted and the results announced after any vote on a show of hands.

The Company complies with the recommendation of the UK Corporate Governance Code that the notice of the Annual General Meeting and related papers should be sent to shareholders at least twenty working days before the meeting.

The Executive Chairman ensures that the views of shareholders are communicated to the Board as a whole, and that non-executive directors develop an understanding of the views of major shareholders.

INTERNAL CONTROL

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors have reviewed the effectiveness of the Group's system of internal control including financial, operational, compliance and risk management controls, which mitigate the significant risks identified. A formal Risk Register has been drawn up, and this is reviewed by the Board at least twice annually.

Peter Tom CBE
Executive Chairman
4 March 2014

AUDIT COMMITTEE REPORT

The role of the Audit Committee is broadly to monitor the integrity of the Group's financial statements and to be assured that the principles and policies adopted in those financial statements comply with statutory requirements and with best practice.

The Audit Committee reviews the effectiveness of the internal financial controls, the internal control and risk management systems and the compliance environment operating within the Group.

The Audit Committee make recommendations to the Board in respect of the appointment of the external auditor, reviews and monitors their independence and objectivity and approves their remuneration. The Audit Committee consults with the external auditors on the scope of their work and reviews all major points arising from the audit.

The Audit Committee was chaired by David Warr throughout the year and comprised David Warr and Susie Farnon. Both members of the Audit Committee have relevant and recent financial experience at a senior level. The Audit Committee met twice formally in 2013.

The principal activities of the Audit Committee in respect of the year ended 31 December 2013, and the manner in which it discharged its responsibilities, were as follows:

FINANCIAL STATEMENTS

The Audit Committee reviewed and agreed the external auditor's strategy and approach in advance of their audit for the year ended 31 December 2013, reviewed the reports from the external auditor on the outcome of their audits and reviewed the 2013 Preliminary Results Announcement and the 2013 Annual Report.

SIGNIFICANT ACCOUNTING MATTERS

During the year, the Audit Committee considered key accounting issues, judgements and disclosures in relation to the Group's financial statements relating to:

- **Fair value accounting on acquisition of businesses:** The Audit Committee considered the accounting treatment, the fair values assigned to and the resultant goodwill arising in respect of the assets acquired from Marshalls Mono Limited and from Aggregate Industries UK Limited as more fully set out in note 26 of the Annual Report and concluded that they were appropriate.

- **Valuation of mineral reserves and resources:** The Audit Committee considered the valuation of mineral reserves and resources in its review of the financial statements and noted that there were no issues identified in the report it received from the external auditor.
- **Impairment of goodwill:** The Audit Committee received communications from management and the external auditor and reviewed the disclosure in note 9 of the Annual Report and agreed that no impairment of goodwill was necessary.
- **Going concern:** The Audit Committee critically reviewed the report from management prepared to support the going concern assumption and, taking into account the external auditor's review of this report, concluded that management's recommendation to prepare the financial statements on a going concern basis was appropriate.
- **Other matters:** During the year, the Audit Committee received communications from management and from the external auditor on other accounting matters including the adequacy of restoration provisions, the recognition of revenue and profit on contracts, the accounting treatment in respect of share based payments and tax strategy.

EXTERNAL AUDITOR

The external auditor, KPMG Channel Islands Limited, attends all meetings of the Audit Committee. The Audit Committee has the opportunity to meet with the external auditor without the Executive Directors being present to provide a forum to raise any matters of concern in confidence.

The Audit Committee discusses and agrees the scope of the audit plan for the full year with the auditor. The external auditor reports at each Audit Committee meeting on the control environment in the Group, key accounting matters and mandatory communications.

The Audit Committee also receives a report from the external auditor setting out to its satisfaction how their independence and objectivity is safeguarded when providing non-audit services. During the year, the value of non-audit services provided by KPMG amounted to £156,000 (2012: £205,000) principally in respect of tax compliance and advisory services, pension advisory services and transaction related services. During the year there were no circumstances where KPMG was engaged to provide services which might have led to a conflict of interest.

KPMG have acted as auditor to the Group since its formation in 2008 and the lead audit partner rotates every five years to assure independence. The current lead audit partner's five year term will end after the audit of the financial statements for the year ending 31 December 2015. The Audit Committee notes the new requirement of the revised Corporate Governance Code, although not mandatory for AIM listing companies, that the external audit contract be put out to tender at least every ten years. The Audit Committee continues to be satisfied with the work of KPMG and that they continue to remain objective and independent. The Audit Committee has therefore recommended to the Board that a resolution be put to the shareholders for the re-appointment of the auditor at the Annual General Meeting of the Company.

INTERNAL AUDIT

The Group does not have an internal audit function. The Audit Committee presently consider this is appropriate given the size of the Group and the close involvement of the executive directors and senior management on a day to day operational basis. However the need for an internal audit function is kept under regular review by the Audit Committee on behalf of the Board.

David Warr
Chairman, Audit Committee
4 March 2014

DIRECTORS' REMUNERATION REPORT

The responsibility for establishing the Group's overall remuneration policy lies with the Board as a whole. The Remuneration Committee works within agreed terms of reference to make recommendations to the Board on the Group's framework for executive remuneration. The terms of reference of the Remuneration Committee are available on the Group's website.

REMUNERATION COMMITTEE

The Remuneration Committee was chaired by David Williams throughout the year. At the end of the financial year, the Committee comprised David Williams, David Warr and Susie Farnon. The Committee met 5 times formally in 2013.

The role of the Remuneration Committee is broadly to determine the terms of employment, including remuneration and other benefits, for individual directors and senior management, within the overall policy as agreed by the Board as a whole. The Remuneration Committee gives full consideration to the provisions of the UK Corporate Governance Code concerning remuneration policy, service contracts and compensation. The Remuneration Committee takes into account remuneration packages of comparable companies and has access to professional advice from both internal and external sources in order to determine and develop its recommendations.

REMUNERATION POLICY

In order to ensure that it attracts and retains a management team with the appropriate skills to provide maximum shareholder value for the future, the Group needs to ensure that its pay and benefit practices are competitive but consistent with the Group's circumstances; that they motivate employees at all levels; and that they recognise and reward high standards of performance.

A review of executive remuneration was carried out in 2013 and, in light of the outcome of that review and the vesting of Management Participation Shares during the year, the Committee decided to make some changes to the executive remuneration package. Our approach, to take effect from 2014, is set out on page 45.

The Group's non-executive directors do not participate in any incentive scheme, share scheme or pension arrangement other than as set out below. The remuneration of non-executive directors is a matter for the Board as a whole, taking into account market rates and the required time commitment.

David Williams, by reason of his previous role at Marwyn Management Partners LP, is a holder of 2,073 Marwyn Participation Shares as more fully described in note 19 to the financial statements.

Element	Purpose & Link to Strategy	Operation	Maximum Opportunity	Performance Conditions
Basic salary	To provide a competitive base salary reflective of the particular skills and experience of an individual.	Reviewed annually or on a significant change of responsibilities. Salaries are determined by reference to the skills and personal performance of the individual. The Remuneration Committee also takes into account external market data and pay and employment conditions elsewhere in the Group when considering increases to base salary levels.	Following a review of remuneration in 2013, the Committee determined the following salaries/fees for Executive Directors with effect from 1 January 2014: • £319,000 for the Executive Chairman • £440,000 for the Group Chief Executive • £220,000 for the Group Finance Director Basic salaries are reviewed on an annual basis or following a significant change in responsibilities.	None
Annual cash bonus	To incentivise the delivery of annual financial, strategic and safety objectives.	Executive Directors may participate in the annual bonus scheme. Performance measures and targets are set by the Remuneration Committee at the start of the financial year and based on performance, bonuses are paid in cash shortly after the determination of the annual results.	For Executive Directors, the maximum opportunity has been increased from 100% to 125% of salary. For the Executive Chairman this percentage replaces the previous fixed cap of £200,000. The higher incentive opportunity reflects the Committee's desire to retain a high proportion of remuneration on variable pay and to reflect the fact that no long term incentives can vest until the next PSP award vests in 2017 as we move to a rolling programme of long term incentive grants. Bonuses are not pensionable.	Performance is based on a sliding scale of demanding EBITDA targets. A moderator may also be applied to increase or decrease the outturn dependent on average capital employed performance against targets subject to the 125% of salary limit. In addition, the bonus may also be reduced or eliminated if safety performance or accident records reach unacceptable levels.
Performance Share Plan ('PSP')	To drive superior performance of the Group, delivery of the Group's long-term objectives, aid retention and to align Directors' interests with those of the Company's shareholders.	Annual share based awards with a three year performance period.	From 2014, in line with best and market practice, it is intended that rolling annual awards will be made. The maximum award limit under the scheme rules is 250% of base salary. In 2014 awards with a face value of 100% of salary will be made to Executive Directors.	The 2014 awards will be subject to underlying EPS targets over the three year period ending 31 December 2016.
Pension	To aid recruitment and retention by allowing the Directors to make provision for long-term retirement benefits comparable with similar roles in similar companies.	A salary supplement equivalent to the contribution that would otherwise be made to a defined contribution pension plan.	The Group Chief Executive and the Group Finance Director receive a salary supplement of 17.5% of their base salary in lieu of a pension contribution. The Executive Chairman does not receive a contribution towards his pension.	None
Other benefits	To provide market competitive cost-effective benefits.	Other benefits may include private medical insurance, a company car allowance and the reimbursement of certain travel costs.	Based on costs determined by third party providers.	None

TRANSACTION BONUSES

In accordance with the terms of their service agreements, upon completion of the acquisition of any trading company, the Executive Directors were entitled to a transaction bonus of up to 0.5% of the value of the transaction to be shared amongst them at the discretion of the Remuneration Committee. Following the review of executive remuneration referred to above, the Executive Directors have agreed to amend their Service Agreements to remove this entitlement for future transactions.

MANAGEMENT PARTICIPATION SHARES

In 2008, when Breedon Aggregates Limited (then called Marwyn Materials Limited) was incorporated, each of Peter Tom, Simon Vivian and Ian Peters subscribed for Participation Shares in the Company's wholly owned subsidiary Marwyn Materials Investments Limited (the "Management Participation Shares"). Further details of the Management Participation Shares, which gave rights to participate in an increase in the market capitalisation of the Company, including descriptions of the Growth and Vesting Conditions, are set out in note 19 to the financial statements.

During the year, both the Growth and the Vesting Conditions were satisfied and each holder of the Management Participation Shares exercised his option to put his Management Participation Shares onto the Company in exchange for the issue of new ordinary shares in the Company ("Breedon Shares"). This resulted in the issue of Breedon Shares as shown in the table below.

Certain other members of the Group's senior executive management team participate in the Breedon Aggregates Performance Share Plan (the "PSP"). Further details of the awards made under the PSP are set out in note 19 to the financial statements.

SERVICE AGREEMENTS/LETTERS OF APPOINTMENT OF THE DIRECTORS

The Directors are party to the following service agreements/letters of appointment with the Company:

(i) Non-executive Directors

The Company has entered into letters of appointment with each of Susie Farnon, David Warr and David Williams, pursuant to which each of them were appointed as a non-executive director of the Company.

The letters of appointment do not contain a fixed time commitment but require each non-executive director to ensure that he or she has sufficient time to meet the expectations of the role. The appointments can be terminated by either party without notice. The non-executive directors each receive a fee for their services of £25,000 per annum payable in equal monthly instalments and are entitled to be reimbursed all reasonable expenses, properly incurred in the course of performing their duties. In addition, Susie Farnon receives a further £5,000 per annum in recognition of her additional responsibilities as Senior Independent Director and David Warr receives another £5,000 per annum in recognition of his responsibilities as Chairman of the Audit Committee. No other benefits are payable. The letters of appointment are governed by Jersey law.

Management Participation Shares Holder	Management Participation Shares purchased	Breedon Shares issued
Peter Tom CBE	2,000	18,649,926
Simon Vivian	2,000	18,649,926
Ian Peters	1,000	9,324,963

(ii) Executive Directors

Peter Tom CBE

On 5 June 2008, the Company entered into a service agreement with Rise Rocks Limited for the purposes of procuring the services of Peter Tom as a consultant to the Company in the role of Chairman. This agreement does not render Mr Tom as an employee, officer, worker or partner of the Company. To the extent that any liabilities arise in connection with a claim that he is an employee, officer, worker or partner of the Company, Mr Tom agrees to indemnify the Company (and its associates) from any such claim.

The agreement will continue until terminated. The Company may terminate this agreement by giving not less than 12 months' written notice to Mr Tom. Mr Tom may terminate the agreement by giving the Company not less than 12 months' written notice. The Company may also terminate the agreement with immediate effect in certain other specified circumstances. Upon termination a payment in lieu of notice may be made to Mr Tom. The service agreement is governed by Channel Islands law.

Simon Vivian

On 5 June 2008, the Company entered into a service agreement with Simon Vivian pursuant to which he is employed as Group Chief Executive.

The service agreement will continue until terminated. The Company may terminate this agreement by giving not less than 12 months' written notice to Mr Vivian. Mr Vivian may terminate the agreement by giving the Company not less than 12 months' written notice. The Company may also terminate the agreement with immediate effect in certain other specified circumstances. Upon termination a payment in lieu of notice may be made to Mr Vivian. The service agreement is governed by English law.

Rob Wood

The Company has entered into a service agreement with Rob Wood pursuant to which he is employed as Group Finance Director.

The service agreement will continue until terminated. The Company may terminate this agreement by giving not less than 12 months' written notice to Mr Wood. Mr Wood may terminate the agreement by giving the Company not less than 12 months' written notice. The Company may also terminate the agreement with immediate effect in certain other specified circumstances. Upon termination a payment in lieu of notice may be made to Mr Wood. The service agreement is governed by English law.

Ian Peters

Ian Peters, who has notified his intention to resign from the Board on 10 March 2014, has a service agreement with the Company which will terminate at that time.

During any notice period, it is the Company's policy to have regard to an individual's duty to mitigate his loss in respect of those contractual rights that he would otherwise be entitled to receive. On the early termination of any contract, the Board will act in shareholders' interests in arriving at the level of compensation to be awarded.

SUCCESSION PLANNING

The Board recognises the requirements of the QCA Code that it should, through periodic review, ensure that plans for an orderly succession to Board and senior management positions are regularly updated. It will continually monitor the composition of the senior management team, including the Executive Directors, and, taking into account factors such as age, experience and career progression opportunities, it will formulate plans well in advance of potential vacancies arising.

DETAILS OF REMUNERATION

The remuneration of the Directors for the year ended 31 December 2013 was as shown in the table below.

David Williams
Chairman, Remuneration Committee
4 March 2014

					Total	
	Salary £	Bonus (note 1) £	Fees (note 2) £	Benefits (note 3) £	2013 £	2012 £
Peter Tom CBE	-		585,400	-	585,400	447,437
Simon Vivian	486,759	494,000	-	3,667	984,426	741,499
Ian Peters (note 4)	243,364	225,575	-	4,143	473,082	332,102
Susie Farnon	-	-	30,000	-	30,000	30,000
David Warr	-	-	27,917	-	27,917	25,000
David Williams	-	-	25,000	-	25,000	25,000
Total	**730,123**	**719,575**	**668,317**	**7,810**	**2,125,825**	**1,601,038**

Notes

1. The bonuses paid and payable to Messrs Vivian and Peters were earned pursuant to their service agreements and the rules of the Group's executive bonus scheme.
2. Included in fees above is an amount of £290,000 (2012: £290,000) in respect of services provided by Rise Rocks Limited, a company in which Mr Tom has a beneficial interest, and the sum of £295,400 (2011: £157,437) which was paid or payable to Rise Rocks Limited as bonuses pursuant to the consultancy agreement between the Company and Rise Rocks Limited.
3. Benefits for Mr Vivian and Mr Peters comprise the provision of private medical insurance and the reimbursement of certain travel costs.
4. In addition to the above, in 2012 Mr Peters was a member of the Breedon Aggregates Group Personal Pension Plan (the "GPPP") which is funded by way of an HMRC approved salary sacrifice arrangement. Mr Peters withdrew from the GPPP with effect from 1 April 2012. Pension contributions paid in respect of Mr Peters in 2012, including the portion of his salary sacrificed for that purpose, amounted to £9,843.

KENNACRAIG FERRY TERMINAL

When Caledonian MacBrayne built a new jetty at the mainland terminal of the Kennacraig to Isle of Islay ferry, they turned to Breedon for the special material needed to underpin it. This high-grade ready-mixed concrete, which was specially created by Breedon for the purpose, had to be pumped 150 metres beneath the sea into position, where it set underwater.

We also supplied and laid the asphalt for the HGV parking area, a new marshalling area and newly-formed causeway. The entire job had to be completed in two months – and without any interruption to the ferry service.

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the EU.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates which are reasonable and prudent;
- state whether applicable 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 Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Breedon Aggregates Limited

KPMG
37 Esplanade
St Helier
Jersey
JE4 8WQ
Channel Islands

We have audited the consolidated financial statements (the "Financial Statements") of Breedon Aggregates Limited (the "Group") for the year ended 31 December 2013 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 50, 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 Group'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 Group's affairs as at 31 December 2013 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Andrew P. Quinn
for and on behalf of KPMG Channel Islands Limited
Chartered Accountants
4 March 2014

Notes:

- The maintenance and integrity of the Breedon Aggregates website is the responsibility of the Directors; the work carried out by Auditor does not involve consideration of these matters and accordingly, KPMG Channel Islands Limited accepts no responsibility for any changes that may have occurred to the Financial Statements or our audit report since 4 March 2014. KPMG Channel Islands Limited has carried out no procedures of any nature subsequent to 4 March 2014 which in any way extends this date.
- Legislation in Jersey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The Directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the Financial Statements are complete and unaltered in any way.

Consolidated Income Statement

for the year ended 31 December 2013

	Note	2013 Underlying £000	2013 Non-underlying* (note 3) £000	2013 Total £000	2012 Underlying £000	2012 Non-underlying* (note 3) £000	2012 Total £000
Revenue	1,2	224,546	-	224,546	173,457	-	173,457
Cost of sales		(163,808)	-	(163,808)	(126,426)	-	(126,426)
Gross profit		60,738	-	60,738	47,031	-	47,031
Distribution expenses		(30,234)	-	(30,234)	(24,031)	-	(24,031)
Administrative expenses		(15,883)	(1,386)	(17,269)	(14,160)	195	(13,965)
Group operating profit	2	14,621	(1,386)	13,235	8,840	195	9,035
Share of profit of associated undertaking (net of tax)	11	1,383	-	1,383	1,033	-	1,033
Profit from operations		16,004	(1,386)	14,618	9,873	195	10,068
Financial income	6	43	-	43	5	-	5
Financial expense	6	(3,649)	-	(3,649)	(4,279)	-	(4,279)
Profit before taxation		12,398	(1,386)	11,012	5,599	195	5,794
Taxation	7	(2,705)	1,083	(1,622)	(1,392)	885	(507)
Profit for the year		9,693	(303)	9,390	4,207	1,080	5,287
Attributable to:							
Equity holders of the parent		9,651	(303)	9,348	4,176	1,080	5,256
Non-controlling interests		42	-	42	31	-	31
Profit for the year		9,693	(303)	9,390	4,207	1,080	5,287
Basic earnings per ordinary share	24	1.12p		1.08p	0.67p		0.85p
Diluted earnings per ordinary share	24	1.02p		0.99p	0.59p		0.75p

* Non-underlying items represent acquisition related expenses, redundancy and reorganisation costs, property items, amortisation of acquisition intangible and related tax items.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Profit for the year		**9,390**	5,287
Other comprehensive income			
Items which may be reclassified subsequently to profit and loss:			
Effective portion of changes in fair value of cash flow hedges		**(1)**	(107)
Taxation on items taken directly to other comprehensive income	**7**	**-**	31
Other comprehensive income for the year		**(1)**	(76)
Total comprehensive income for the year		**9,389**	5,211
Total comprehensive income for the year is attributable to:			
Equity holders of the parent		**9,347**	5,180
Non-controlling interests		**42**	31
		9,389	5,211

Consolidated Statement of Financial Position

at 31 December 2013

	Note	2013 £000	2012 £000
Non-current assets			
Property, plant and equipment	8	183,542	144,895
Intangible assets	9	15,076	2,295
Investment in associated undertaking	11	1,332	887
Total non-current assets		199,950	148,077
Current assets			
Inventories	13	11,231	8,048
Trade and other receivables	14	49,233	36,451
Cash and cash equivalents		17,450	5,048
Total current assets		77,914	49,547
Total assets		277,864	197,624
Current liabilities			
Interest-bearing loans and borrowings	15	(4,330)	(4,816)
Trade and other payables	16	(43,400)	(31,035)
Current tax payable		(215)	-
Provisions	17	(103)	(123)
Total current liabilities		(48,048)	(35,974)
Non-current liabilities			
Interest-bearing loans and borrowings	15	(67,534)	(74,290)
Provisions	17	(9,316)	(6,471)
Deferred tax liabilities	12	(3,973)	(1,540)
Total non-current liabilities		(80,823)	(82,301)
Total liabilities		(128,871)	(118,275)
Net assets		148,993	79,349
Equity attributable to equity holders of the parent			
Stated capital	18	138,005	77,586
Cash flow hedging reserve	18	(172)	(171)
Capital reserve	18	1,516	1,945
Retained earnings		9,513	(150)
Total equity attributable to equity holders of the parent		148,862	79,210
Non-controlling interests		131	139
Total equity		148,993	79,349

These financial statements were approved by the Board of Directors on 4 March 2014 and were signed on its behalf by:

Simon Vivian
Group Chief Executive

Ian Peters
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

	Stated capital	Cash flow hedging reserve	Capital reserve	Retained earnings	Attributable to equity holders of parent	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 January 2012	62,715	(95)	2,069	(5,765)	58,924	108	59,032
Shares issued	15,477	-	(124)	-	15,353	-	15,353
Expenses of share issue	(606)	-	-	-	(606)	-	(606)
Total comprehensive income for the year	-	(76)	-	5,256	5,180	31	5,211
Credit to equity of share based payments	-	-	-	359	359	-	359
Balance at 31 December 2012	77,586	(171)	1,945	(150)	79,210	139	79,349
Shares issued	62,699	-	(429)	(63)	62,207	-	62,207
Expenses of share issue	(2,280)	-	-	-	(2,280)	-	(2,280)
Dividend to non-controlling interests	-	-	-	-	-	(50)	(50)
Total comprehensive income for the year	-	(1)	-	9,348	9,347	42	9,389
Credit to equity of share based payments	-	-	-	378	378	-	378
Balance at 31 December 2013	**138,005**	**(172)**	**1,516**	**9,513**	**148,862**	**131**	**148,993**

Consolidated Statement of Cash Flows

for the year ended 31 December 2013

	Note	2013 £000	2012 £000
Cash flows from operating activities			
Profit for the year		**9,390**	5,287
Adjustments for:			
Depreciation and amortisation		**13,679**	11,390
Financial income		**(43)**	(5)
Financial expense		**3,649**	4,279
Share of profit of associated undertaking (net of tax)		**(1,383)**	(1,033)
Net gain on sale of property, plant and equipment		**(1,647)**	(1,084)
Equity settled share based payment expenses		**378**	359
Taxation		**1,622**	507
Operating cash flow before changes in working capital and provisions		**25,645**	19,700
Increase in trade and other receivables		**(12,478)**	(1,421)
Decrease in inventories		**309**	111
Increase/(decrease) in trade and other payables		**12,479**	(2,982)
Decrease in provisions		**(1,020)**	(910)
Cash generated from operating activities		**24,935**	14,498
Interest paid		**(2,476)**	(2,668)
Interest element of finance lease payments		**(939)**	(1,207)
Dividend paid to non-controlling interest	**10**	**(50)**	-
Income taxes paid		**-**	-
Net cash from operating activities		**21,470**	10,623
Cash flows used in investing activities			
Acquisition of businesses	**26**	**(53,990)**	(1,546)
Purchase of property, plant and equipment		**(12,542)**	(7,323)
Proceeds from sale of property, plant and equipment		**4,644**	6,204
Interest received		**43**	5
Dividend from associated undertaking	**11**	**938**	938
Net cash used in investing activities		**(60,907)**	(1,722)
Cash flows from financing activities			
Proceeds from the issue of shares (net)	**18**	**59,927**	14,747
Proceeds from new loans raised		**-**	1,900
Repayment of loans		**(3,089)**	(11,789)
Repayment of finance lease obligations		**(4,999)**	(6,285)
Purchase of financial instrument – derivative		**-**	(232)
Net cash from/(used in) financing activities		**51,839**	(1,659)
Net increase in cash and cash equivalents		**12,402**	7,242
Cash and cash equivalents at 1 January		**5,048**	(2,194)
Cash and cash equivalents at 31 December		**17,450**	5,048
Cash and cash equivalents		**17,450**	5,048
Bank overdraft	**15**	**-**	-
Cash and cash equivalents at 31 December		**17,450**	5,048

Notes to the financial statements

1 Accounting policies

The principal activities of the business are the quarrying of aggregates and the production of added value products, including asphalt and ready-mixed concrete, collectively known as 'aggregates', together with related activities in Great Britain and Jersey. Breedon Aggregates Limited (the "Company") is a company domiciled in Jersey. The address of the Company's registered office is Elizabeth House, 9 Castle Street, St Helier, Jersey, JE2 3RT. The Company was incorporated on 15 August 2007.

Basis of preparation

The financial statements were authorised for issue by the Board of Directors on 4 March 2014.

These financial statements consolidate the results of the Company and its subsidiary undertakings and equity account for the Group's interest in associates (collectively "the Group").

The financial statements have been prepared on a going concern basis based on the assessment made by the Directors as described in the Directors' Report on page 38.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS's"). The consolidated financial statements have been prepared under the historical cost convention except where the measurement of balances at fair value is required as set out below.

The preparation of financial statements in conformity with Adopted IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 27.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the year presented in this financial information.

These financial statements are presented in pounds sterling, which is the Group's functional currency. All financial information presented in pounds sterling has been rounded to the nearest thousand.

Parent company information has not been provided in accordance with Article 105 (11) of Companies (Jersey) Law 1991.

New IFRS standards and interpretations adopted during 2013

In 2013, the following standards and amendments have been endorsed by the EU, became effective and therefore were adopted by the Group:

- Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income
- Amendments to IFRS 7 – Offsetting Financial Assets and Financial Liabilities
- IFRS 13 – Fair Value Measurement
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The annual improvement project to IFRS's provides a vehicle for making non-urgent but necessary amendments to IFRS's. Amendments to a number of standards have been adopted.

The adoption of the above standards, amendments and interpretations has not had a material impact on the Group's financial statements.

New IFRS standards and interpretations not adopted

The IASB and IFRIC have issued additional standards and amendments which are effective for periods starting after the date of these financial statements. The following standards and amendments have not yet been adopted by the Group:

Effective date 1 January 2014
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosures of Interests in Other Entities
- IAS 28 – Investments in Associates and Joint Ventures
- Amendments to IAS 36 – Impairment of Assets
- Amendments to IFRS 2 – Share based Payments
- Amendments to IFRS 3 – Business Combinations

The Group does not anticipate that the adoption of the above standards and amendments will have a material effect on its financial statements on initial adoption.

Notes to the financial statements

(continued)

1 Accounting policies (continued)

Basis of consolidation

Subsidiary undertakings are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Ordinarily, the Group considers a company a subsidiary when it holds more than 50% of the shares and voting rights. The financial statements of subsidiary undertakings are included in the Group financial information from the date that control commences until the date that control ceases.

Associated undertakings are those entities in which the Group holds more than 20% of the shares and voting rights and has significant influence, but not control, over the financial and operating policies. The Group financial information includes the Group's share of the total comprehensive income of associated undertakings on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associated undertaking.

Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Group are as follows:

Trade receivables and trade payables

Trade receivables and trade payables are initially recognised at fair value and then are stated at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. For the purposes of the Consolidated Statement of Cash Flows, bank overdrafts are also included as they are an integral part of the Group's cash management.

Bank and other borrowings

Interest bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Consolidated Income Statement over the period to redemption on an effective interest basis.

Derivative financial instruments

The Group uses financial instruments to manage financial risks associated with the Group's underlying business activities and the financing of those activities. The Group does not undertake any trading in financial instruments.

Derivatives are initially recognised at fair value on the date that the contract is entered into and subsequently re-measured in future periods at their fair value. The gain or loss on the re-measurement of fair value is recognised immediately in profit or loss. However, where the derivative qualifies for hedge accounting, recognition of the resultant gain or loss depends on the nature of the item being hedged (see below).

Interest rate caps are used to hedge the Group's exposure to movements on interest rates.

The fair value of interest rate caps is the estimated amount that the Group would receive to terminate the cap at the reporting date, taking into account current interest rates and the current creditworthiness of the financial derivative counterparties.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, the effective part of any gain or loss on the derivative financial instrument is recognised in the Consolidated Statement of Comprehensive Income and in the cash flow hedging reserve. Any ineffective portion of the hedge is recognised immediately in the Consolidated Income Statement.

Amounts recorded in the cash flow hedging reserve are subsequently reclassified to the Consolidated Income Statement when the interest expense is actually recognised.

To qualify for hedge accounting, the hedging relationship must meet several conditions with respect to documentation, probability of occurrence, hedge effectiveness and reliability of measurement. At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge transaction. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. The Group also documents its assessment, at hedge inception and on an annual basis, as to whether the derivatives that are used in hedging transactions have been, and are likely to continue to be, effective in offsetting changes in fair value or cash flows of hedged items.

1 Accounting policies (continued)

Minerals reserves and resources

Mineral reserves and resources are stated at cost and are depreciated based on the physical unit-of-production method over their estimated commercial lives.

The value of mineral reserves and resources recognised as a result of business combinations is based on fair value.

Costs incurred to gain access to mineral reserves and resources are capitalised and depreciated over the life of the quarry, which is based on the estimated tonnes of raw material to be extracted from the reserves.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the Consolidated Income Statement on a straight-line basis over their estimated useful lives to write off the cost or deemed cost of assets. The estimated useful lives are as follows:

- Freehold buildings - 50 years
- Long leasehold land and buildings - life of the lease
- Fixtures and fittings - 10 years
- Office equipment - 3-5 years
- Fixed plant - 30 years
- Loose plant and machinery - 5-10 years
- Motor vehicles - 4-10 years

No depreciation is provided on freehold land.

Intangible assets and goodwill

The Group measures goodwill as the fair value of the purchase consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Fair value adjustments are always considered to be provisional at the first reporting date after the acquisition to allow the maximum time to elapse for management to make a reliable estimate.

The Group measures non-controlling interests at a proportionate share of the recognised amount of the identifiable net assets at the acquisition date.

Goodwill arising on the acquisition of subsidiary undertakings is recognised as an asset in the Consolidated Statement of Financial Position and is subject to annual impairment review. Goodwill arising on the acquisition of associated undertakings is included within the carrying value of the investment. When the excess is negative, a gain on bargain purchase is recognised immediately in the Consolidated Income Statement.

Other intangible assets that are acquired by the Group as part of a business combination are stated at cost less accumulated amortisation and impairment losses. Cost reflects management's judgement of the fair value of the individual intangible asset calculated by reference to the net present value of future economic benefits accruing to the Group from the utilisation of the asset, discounted at an appropriate discount rate. Other intangibles arising on the acquisition of associated undertakings are included within the carrying value of the investment.

Amortisation is based on the useful economic lives of the assets concerned, currently being the consumption of economic benefits over a period up to twenty years.

Notes to the financial statements
(continued)

1 Accounting policies (continued)

Impairment
The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets (see separate accounting policies), are reviewed at each reporting date to determine whether there is any indication of impairment. Impairment reviews are undertaken at the level of each significant cash generating unit, which is no larger than an operating segment as defined by IFRS 8 Operating Segments. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Non-current assets held exclusively with a view to resale
Non-current assets acquired exclusively with a view to subsequent disposal are classified as assets held for resale at the acquisition date only where all criteria set out in IFRS 5 are satisfied within a short period following the acquisition. When acquired as part of a business combination, non-current assets acquired exclusively with a view to subsequent disposal are initially measured at fair value less costs to sell. Subsequently, these non-current assets are measured at the lower of their current carrying value and current fair value less costs to sell. Subsequent gains or losses on re-measurement are recognised in the Consolidated Income Statement. Gains are not recognised in excess of any cumulative loss.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Retirement benefits
Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Income Statement as incurred.

Provisions
Restoration provisions
The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The cost of raising a provision before exploitation of the raw materials has commenced is included in property, plant and equipment and depreciated over the life of the site. The effect of any adjustments to the provision due to further environmental damage is recorded through operating costs over the life of the site to reflect the best estimate of the expenditure required to settle the obligation at the end of the reporting period. Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to, or deducted from, the cost of the related asset. All provisions are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Property related provisions
A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Revenue
Revenue from the sale of goods and services represents the amount (excluding value added and sales taxes) invoiced to third party customers, net of returns and trade discounts. Revenue is recognised by the Group when the significant risks and rewards associated with the transaction have been transferred to the customers and the amount of revenue can be measured reliably. The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale. Usually transfer occurs when products have been delivered to, or picked up by, the customer or by reference to the degree of completion for the supply of contracting services.

1 Accounting policies (continued)

Expenses

Operating lease payments

Payments made under operating leases are recognised in the Consolidated Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Consolidated Income Statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial income and expense

Financial income and expense comprises interest payable, finance charges, finance lease charges, interest receivable on funds invested, and gains and losses on hedging instruments that are recognised in the Consolidated Income Statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the reporting date and includes any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided in full using the Statement of Financial Position liability method and represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share based transactions

Equity-settled share based payments to Directors, key employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value is expensed, with a corresponding increase in equity, on a straight line basis over the period that the employees become unconditionally entitled to the awards. At each Statement of Financial Position date, the Group revises the amount recognised as an expense to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Dividends

Dividends are recognised as a liability in the period in which they are approved by the Company's shareholders.

Notes to the financial statements

(continued)

2 Segmental analysis

Segmental information is presented in respect of the Group's business segments in line with IFRS 8 – Operating Segments which requires segmental information to be presented on the same basis as it is viewed internally. The Group's Board of Directors, considered as the Group's "Chief Operating Decision Maker" views the business on a geographical basis. As such, two operating segments (England and Scotland) have been identified as reportable segments. A description of the activities of each segment is included on pages 6 and 7. There are no other operating segments. The majority of revenues are earned from the sale of aggregates, related products and services.

Income statement

	2013		2012	
	Revenue £000	**EBITDA* £000**	Revenue £000	EBITDA* £000
England	**114,886**	**15,760**	91,278	11,562
Scotland	**109,660**	**15,868**	82,179	11,345
Central administration and Group properties	**-**	**(3,361)**	-	(2,724)
Group	**224,546**	**28,267**	173,457	20,183

*EBITDA represents underlying EBITDA before share of profit from associated undertaking.

	£000	£000
Reconciliation to reported profit		
Group profit as above	**28,267**	20,183
Depreciation	**(13,646)**	(11,343)
Underlying operating profit		
England	**8,969**	6,021
Scotland	**9,013**	5,548
Central administration and Group properties	**(3,361)**	(2,729)
	14,621	8,840
Non-underlying items (note 3)	**(1,386)**	195
Group operating profit	**13,235**	9,035
Share of profit of associated undertaking	**1,383**	1,033
Net financial expense	**(3,606)**	(4,274)
Profit before taxation	**11,012**	5,794
Taxation	**(1,622)**	(507)
Profit for the year	**9,390**	5,287

2 Segmental analysis (continued)

Statement of financial position

	2013 Total assets £000	2013 Total liabilities £000	2012 Total assets £000	2012 Total liabilities £000
England	**124,482**	**(24,150)**	101,788	(17,707)
Scotland	**127,850**	**(23,322)**	82,837	(15,570)
Central administration and Group properties	**7,777**	**(5,347)**	7,951	(4,352)
Total operations	**260,109**	**(52,819)**	192,576	(37,629)
Current tax	**305**	**(215)**	-	-
Deferred tax	**-**	**(3,973)**	-	(1,540)
Net debt	**17,450**	**(71,864)**	5,048	(79,106)
Total Group	**277,864**	**(128,871)**	197,624	(118,275)
Net assets		**148,993**		79,349

Scotland total assets include £1,332,000 (2012: £887,000) in respect of investments in associated undertakings.

Analysis of depletion, depreciation, amortisation and capital expenditure

	Mineral depletion £000	Depreciation £000	Amortisation of intangible assets £000	Additions to property, plant and equipment £000
2013				
England	**2,375**	**4,416**	**2**	**5,865**
Scotland	**891**	**5,964**	**31**	**7,423**
Central administration and Group properties	**-**	**-**	**-**	**-**
Total	**3,266**	**10,380**	**33**	**13,288**
2012				
England	1,350	4,191	2	5,861
Scotland	802	4,995	45	2,618
Central administration and Group properties	-	5	-	-
Total	2,152	9,191	47	8,479

Additions to property, plant and equipment and other intangible assets exclude additions in respect of business combinations (note 26).

Notes to the financial statements

(continued)

3 Non-underlying items

As required by IFRS 3 – Business Combinations, acquisition costs have been expensed as incurred. Additionally, the Group incurred redundancy costs in respect of the reorganisation of parts of the businesses. Non-underlying items also include property items, the amortisation of acquisition intangible assets and related tax items.

	2013 £000	2012 £000
Included in administrative expenses:		
Redundancy costs	**(275)**	(382)
Acquisition costs	**(1,251)**	(168)
Competition authority referral	**(1,148)**	-
Gain on property disposals	**524**	153
Release of provision for environmental and planning	**797**	639
Amortisation of other intangible assets	**(33)**	(47)
Total non-underlying items (pre-tax)	**(1,386)**	195
Non-underlying taxation	**1,083**	885
Total non-underlying items (after tax)	**(303)**	1,080

The 2013 and 2012 credits in respect of non-underlying taxation principally comprise adjustments in respect of the agreement of prior year items.

4 Expenses and auditor's remuneration

	2013 £000	2012 £000
Group operating profit has been arrived at after charging/(crediting)		
Depreciation of property, plant and equipment:		
Owned assets	**11,056**	8,357
Assets held under finance lease	**2,590**	2,986
Amortisation of other intangible assets	**33**	47
Gain on sale of property	**(524)**	(153)
Gain on sale of plant and equipment	**(1,123)**	(931)
Operating lease rentals:		
Plant, equipment and vehicles	**1,330**	602
Other	**1,567**	924
Auditor's remuneration		
Audit of the Company's annual accounts	**11**	11
Audit of the Company's subsidiary undertakings	**128**	113
Services relating to corporate finance transactions	**21**	8
Taxation compliance services	**63**	42
Taxation advisory services	**37**	45
Other non-audit services	**35**	110
	295	329

5 Remuneration of key management, staff numbers and costs

Details of the remuneration received by key management is summarised below:

	2013 £000	2012 £000
Salaries and short term employee benefits	**1,458**	1,074
Directors' fees	**668**	527
Post employment benefits	**-**	10
Equity-settled share based payments (note 19)	**9**	14
	2,135	1,625

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees 2013	2012
England	**412**	395
Scotland	**536**	406
Central administration	**4**	4
	952	805

The aggregate payroll costs of these persons (including Directors) were as follows:

	2013 £000	2012 £000
Wages and salaries	**31,700**	25,400
Social security costs	**3,342**	2,611
Other pension costs	**1,366**	1,262
Equity-settled share based payments (note 19)	**369**	345
	36,777	29,618

6 Financial income and expense

	2013 £000	2012 £000
Interest income		
Bank deposits	**22**	5
Other	**21**	-
Financial income	**43**	5
Interest expense – bank loans and overdrafts	**(2,315)**	(2,778)
Amortisation of prepaid bank arrangement fee	**(129)**	(128)
Interest expense – other	**(18)**	-
Interest expense – finance leases	**(939)**	(1,207)
Unwinding of discount on provisions	**(248)**	(166)
Financial expense	**(3,649)**	(4,279)

Notes to the financial statements
(continued)

7 Taxation

Recognised in the Consolidated Income Statement

	2013 £000	2012 £000
Current tax expense	**215**	-
Adjustments in respect of prior years	**(305)**	-
Total current tax	**(90)**	-
Deferred tax expense		
Origination and reversal of temporary differences		
Current year	**2,579**	1,435
Prior year	**(867)**	(928)
Total deferred tax	**(1,712)**	(507)
Total tax charge in the Consolidated Income Statement	**1,622**	507

Taxation on items taken directly to Other Comprehensive Income

	2013 £000	2012 £000
Deferred tax expense		
Relating to cash flow hedges	**-**	(31)

Reconciliation of effective tax rate

	2013 £000	2012 £000
Profit before taxation	**11,012**	5,794
Tax at the Company's domestic rate of 0%*	**-**	-
Effect of tax in UK at UK rate	**2,814**	1,664
Expenses not deductible for tax purposes	**814**	122
Income from associate already taxed	**(321)**	(253)
Effect of change in rate	**(513)**	(98)
Adjustment in respect of prior years	**(1,172)**	(928)
Tax charge	**1,622**	507

* The Company is resident in Jersey and has a zero percent tax rate. The Group has subsidiary operations in the UK which pay tax at a higher rate of 23.25% (2012: 24.5%).

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Group's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

8 Property, plant and equipment

	Mineral reserves and resources £000	Land and buildings £000	Plant, equipment and vehicles £000	Total £000
Cost				
Balance at 1 January 2012	75,110	26,139	65,363	166,612
Acquisitions through business combinations (see note 26)	479	12	404	895
Additions	1,509	225	6,745	8,479
Disposals	(51)	(3,618)	(2,983)	(6,652)
Balance at 31 December 2012	77,047	22,758	69,529	169,334
Balance at 1 January 2013	77,047	22,758	69,529	169,334
Acquisitions through business combinations (see note 26)	25,530	7,253	9,219	42,002
Additions	1,714	169	11,405	13,288
Disposals	(199)	(2,286)	(1,654)	(4,139)
Balance at 31 December 2013	**104,092**	**27,894**	**88,499**	**220,485**
Depreciation				
Balance at 1 January 2012	2,900	672	11,056	14,628
Depreciation charge for the year	2,152	492	8,699	11,343
Disposals	-	(248)	(1,284)	(1,532)
Balance at 31 December 2012	5,052	916	18,471	24,439
Balance at 1 January 2013	5,052	916	18,471	24,439
Depreciation charge for the year	3,266	658	9,722	13,646
Disposals	-	(53)	(1,089)	(1,142)
Balance at 31 December 2013	**8,318**	**1,521**	**27,104**	**36,943**
Net book value				
At 31 December 2012	71,995	21,842	51,058	144,895
At 31 December 2013	**95,774**	**26,373**	**61,395**	**183,542**

Leased plant and machinery

At 31 December 2013, the net carrying amount of leased plant and machinery was £14,483,000 (2012: £19,024,000). Depreciation charged on these assets in the year was £2,590,000 (2012: £2,986,000). Details of finance lease obligations are set out in note 15.

Depreciation

Depreciation is recognised in the following line items in the Consolidated Income Statement:

	2013 £000	2012 £000
Cost of sales	**13,073**	10,784
Administration expenses	**573**	559
	13,646	11,343

Security

All mineral reserves and resources, and land and buildings are pledged as security for bank loans and borrowings with Barclays Bank PLC as security agent for the Group's lenders.

Notes to the financial statements

(continued)

9 Intangible assets

	Goodwill £000	Other £000	Total £000
Cost			
At 1 January 2012	1,449	439	1,888
Additions	694	-	694
At 31 December 2012	2,143	439	2,582
At 1 January 2013	2,143	439	2,582
Additions	12,509	305	12,814
At 31 December 2013	**14,652**	**744**	**15,396**
Amortisation			
At 1 January 2012	-	240	240
Amortisation for the year	-	47	47
At 31 December 2012	-	287	287
At 1 January 2013	-	287	287
Amortisation for the year	-	33	33
At 31 December 2013	**-**	**320**	**320**
Net book value			
At 31 December 2012	2,143	152	2,295
At 31 December 2013	**14,652**	**424**	**15,076**

Other intangible assets relate to acquisition intangibles, being the fair value of certain customer lists, contracts and trade names acquired as part of acquisitions. These intangible assets are being amortised over the anticipated life of the underlying asset as appropriate, with the amortisation charge being recognised in non-underlying administrative expenses in the Consolidated Income Statement.

Impairment tests for cash-generating units containing goodwill

Goodwill arising on business combinations is not amortised but is reviewed for impairment on an annual basis, or more frequently if there are indications that the goodwill may be impaired. Goodwill is allocated to groups of cash generating units according to the level at which management monitor that goodwill. At 31 December 2013, goodwill of £7,499,000 *(2012: £1,449,000)* has been allocated to Scotland and £7,153,000 *(2012: £694,000)* has been allocated to England.

For impairment testing, the recoverable amount of goodwill attaching to cash generating units is determined using value in use calculations. These calculations use cash flow projections based on actual operating results and budgeted forecasts for 2014 extrapolated forward for a 30 year period, reflecting the long term nature of the underlying assets, assuming a 2.0% *(2012: 1.5%)* annual growth rate, based on management's estimate of the industry's revenue and cost growth discounted at a pre-tax rate of 9.4% *(2012: 10.0%)* and a post-tax rate of 9.1% *(2012: 8.5%)*. Directors estimate discount rates reflecting current market assessment of the time value of money and the risks specific to the cash generating units. The Directors have determined that there has been no impairment.

The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment that would be material to these consolidated financial statements and no such impairments were identified.

10 Principal Group companies

The principal undertakings in which the Group's interest at the end of both the current and prior years was more than 20% were as follows:

	Country of incorporation	Percentage of ordinary shares held	Principal activity
Subsidiary undertakings			
Ordinary shares held directly			
Marwyn Materials Investments Limited	Jersey	100%	Holding company
Ordinary shares held indirectly			
Breedon Aggregates England Limited	England	100%	Production and sale of aggregates
Breedon Aggregates Scotland Limited	Scotland	100%	Production and sale of aggregates
Breedon Group Services Limited	England	100%	Service company
Breedon Properties Limited	England	100%	Property holding company
Breedon Holdings Limited	England	100%	Service company
Alba Traffic Management Limited	Scotland	75%	Traffic management
Associated undertaking			
Ordinary shares held indirectly			
BEAR Scotland Limited	Scotland	37.5%	Road maintenance contracting

11 Investment in associated undertaking

	£000
Carrying value	
At 1 January 2012	792
Share of profit of associated undertaking (net of tax)	1,033
Dividends received	(938)
At 31 December 2012	887
At 1 January 2013	887
Share of profit of associated undertaking (net of tax)	1,383
Dividends received	(938)
At 31 December 2013	**1,332**

Summary financial information on associated undertaking – 100%:

	Assets £000	Liabilities £000	Equity £000	Revenues £000	Net profit £000
2013					
BEAR Scotland Limited	**27,729**	**(24,177)**	**3,552**	**75,786**	**3,688**
2012					
BEAR Scotland Limited	11,252	(8,887)	2,365	50,694	2,754

Notes to the financial statements

(continued)

12 Deferred tax

	1 January 2012 £000	Acquisitions (note 26) £000	Recognised in income £000	Recognised in equity £000	31 December 2012 £000
Property, plant and equipment	(5,175)	(17)	(503)	-	(5,695)
Intangible assets	(45)	-	14	-	(31)
Financial instruments – derivatives	32	-	-	31	63
Working capital and provisions	2,448	-	357	-	2,805
Tax value of loss carry-forwards	1,681	12	(375)	-	1,318
	(1,059)	(5)	(507)	31	(1,540)

	1 January 2013 £000	Acquisitions (note 26) £000	Recognised in income £000	Recognised in equity £000	**31 December 2013 £000**
Property, plant and equipment	(5,695)	(660)	497	-	**(5,858)**
Intangible assets	(31)	(61)	8	-	**(84)**
Financial instruments – derivatives	63	-	(38)	-	**25**
Working capital and provisions	2,805	-	(1,070)	-	**1,735**
Tax value of loss carry-forwards	1,318	-	(1,109)	-	**209**
	(1,540)	(721)	(1,712)	-	**(3,973)**

There are no unrecognised deferred tax assets *(2012: £nil)*.

13 Inventories

	2013 £000	2012 £000
Raw materials and consumables	**5,144**	3,801
Finished goods and goods for resale	**6,087**	4,247
	11,231	8,048

Inventories (being directly attributable costs of production) of £150,836,000 *(2012: £117,307,000)* were expensed in the year.

14 Trade and other receivables

	2013 £000	2012 £000
Trade receivables	**41,624**	32,897
Trade receivables due from associated undertaking (note 23)	**3,611**	535
Other receivables and prepayments	**3,669**	2,994
Tax recoverable	**305**	-
Financial instruments – derivatives	**24**	25
	49,233	36,451

The derivatives represent the fair value of interest rate caps.

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. Note 20 provides more information about the Group's exposure to interest rate risk.

	2013 £000	2012 £000
Non-current liabilities		
Secured bank loans	**59,833**	62,822
Finance lease liabilities	**7,701**	11,468
	67,534	74,290
Current liabilities		
Secured overdrafts	**-**	-
Current portion of finance lease liabilities	**4,330**	4,816
	4,330	4,816

The bank loans and overdrafts carry a rate of interest of 3% above LIBOR and are secured on the freehold and leasehold properties and other assets of the Company and its subsidiary undertakings and have a final repayment date of 5 September 2015.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	2013			2012		
	Minimum lease payments £000	**Interest £000**	**Principal £000**	Minimum lease payments £000	Interest £000	Principal £000
Less than one year	**5,041**	**711**	**4,330**	5,948	1,132	4,816
Between one and five years	**8,230**	**529**	**7,701**	13,453	1,985	11,468
More than five years	**-**	**-**	**-**	-	-	-
	13,271	**1,240**	**12,031**	19,401	3,117	16,284

Finance leases are secured on the underlying asset and are for periods of up to 5 years.

Net debt

	2013 £000	2012 £000
Net debt comprises the following items:		
Cash and cash equivalents	**17,450**	5,048
Current borrowings	**(4,330)**	(4,816)
Non-current borrowings	**(67,534)**	(74,290)
	(54,414)	(74,058)

16 Trade and other payables

	2013 £000	2012 £000
Trade payables	**26,367**	17,716
Other payables and accrued expenses	**9,113**	8,145
Other taxation and social security costs	**7,920**	5,174
	43,400	31,035

Notes to the financial statements
(continued)

17 Provisions

	Restoration £000	Other £000	Total £000
At 1 January 2012	4,770	2,568	7,338
Utilised during the year	(115)	(156)	(271)
Released to income statement	-	(639)	(639)
Unwinding of discount	166	-	166
At 31 December 2012	4,821	1,773	6,594
At 1 January 2013	4,821	1,773	6,594
Amounts arising from business combinations (note 26)	3,597	-	3,597
Utilised during the year	(110)	(113)	(223)
Released to income statement	-	(797)	(797)
Unwinding of discount	248	-	248
At 31 December 2013	**8,556**	**863**	**9,419**

Included in provisions is £103,000 *(2012: £123,000)* in respect of current amounts and £9,316,000 *(2012: £6,471,000)* in respect of non-current amounts.

Restoration provisions, which are all non-current, principally comprise provisions for the cost of restoring sites subject to extraction where an obligation arises so as to comply with contractual, environmental, planning and other legislation. The obligation is calculated on a site by site basis and is regularly reviewed to ensure it is adequate. The obligation has been discounted and will be settled through to the end of the production lives of the related quarries which is not anticipated to result in a cash outflow within the next 12 months.

Other provisions comprise provisions for continued obligations for dilapidations, environmental and planning requirements and onerous leases. These obligations will be settled within the normal operating cycle.

18 Capital and reserves

Stated capital

	Number of ordinary shares 2013	2012
Issued ordinary shares at beginning of year	**647,270,914**	561,005,454
Issued in connection with:		
Placing	**290,476,190**	83,333,335
Exercise of savings related share options	**45,798**	40,699
Exercise of warrants	**10,002,287**	2,891,426
Purchase of Participation Shares	**58,971,399**	-
	1,006,766,588	647,270,914

The Company has no limit to the number of shares which may be issued. The ordinary shares have no par value. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

On 7 January 2013, the Company issued 3,000,000 ordinary shares of no par value at 12.0 pence per share, raising £360,000, in settlement of the exercise of certain warrants issued in September 2010 as part of the reverse takeover of Breedon Holdings Limited.

On 29 April 2013, the Company issued 290,476,190 ordinary shares of no par value at 21.0 pence per share wholly for cash, raising a total of £61,000,000 before expenses and £58,720,000 after expenses.

On 23 May 2013, the Company issued 7,002,287 ordinary shares of no par value at 12.0 pence per share, raising £840,000, in settlement of the exercise of certain warrants issued in September 2010 as part of the reverse takeover of Breedon Holdings Limited.

On 30 September 2013, the Company issued 58,971,399 ordinary shares of no par value in connection with the purchase of certain Management and Marwyn Participation Shares (see note 19).

18 Capital and reserves (continued)

During 2013, the Company issued 45,798 ordinary shares of no par value, raising £7,000, in connection with the exercise of certain savings related share options.

On 24 April 2012, the Company issued 83,333,335 ordinary shares of no par value at 18.0 pence per share wholly for cash, raising a total of £15,000,000 before expenses and £14,394,000 after expenses.

On 5 July 2012, the Company issued 2,891,426 ordinary shares of no par value at 12.0 pence per share, raising £347,000, in settlement of the exercise of certain warrants issued in September 2010 as part of the reverse takeover of Breedon Holdings Limited.

During 2012, the Company issued 40,699 ordinary shares of no par value, raising £6,000, in connection with the exercise of certain savings related share options.

Cash flow hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedged instruments related to hedged transactions which have not yet occurred.

Capital reserve
The capital reserve at 31 December 2013 comprised the fair value of warrants to subscribe for 35,370,667 *(2012: 45,372,954)* ordinary shares in the Company at 12.0 pence per share. A total of 55,266,667 warrants were issued on 6 September 2010 as part of the consideration for the acquisition of Breedon Holdings Limited and were valued at fair value at acquisition using a modified Black Scholes model at a value of £2,369,000. They are exercisable at any time until 2 September 2017. During 2013, warrants over 10,002,287 *(2012: 2,891,426)* ordinary shares were exercised and, accordingly, £429,000 *(2012: £124,000)* was transferred to stated capital.

19 Employee benefits

Pension plans
During both the current year and prior year, the Group has contributed to the Breedon Aggregates Group Personal Pension Plan which is a contract based defined contribution scheme.

The pension costs charged during the year were £1,366,000 *(2012: £1,262,000)*. Contributions outstanding at 31 December 2013 amounting to £123,000 *(2012: £103,000)* are included in payables.

Share based payments

	2013 £000	2012 £000
Management Participation Shares	**9**	14
Performance share plan shares	**244**	243
Share options	**116**	88
Employee share based payments (note 5)	**369**	345
Marwyn Participation Shares	**9**	14
Total share based payments	**378**	359

Participation Shares
Under share based payment arrangements established by the Group to incentivise Directors, key employees and others providing similar services, Participation Shares were issued in 2008, via the Company's subsidiary, Marwyn Materials Investments Limited, to Directors and key employees ("Management Participation Shares") and to Marwyn Management Partners LP, ("Marwyn Participation Shares"); together "the Participation Shares".

On being offered, the Company may purchase the Participation Shares either for cash or for the issue of new ordinary shares at its discretion. The Company's intention is to settle these through the issue of new ordinary shares. The value of the Participation Shares is discussed below. The Participation Shares may only be sold on this basis if both the Growth and Vesting Conditions have been satisfied. Both of these conditions were satisfied during the year. Details of the Participation Shares in issue and purchased during the year and outstanding at the year end are shown below. None of the Participation Shares were forfeited or expired during the year.

Notes to the financial statements

(continued)

19 Employee benefits (continued)

Growth Condition

The Growth Condition was that the compound annual growth of the Company's equity value must have been at least 12.5% per annum. The Growth Condition took into account new shares issued, dividends and capital returned to Shareholders.

Vesting Condition

The Participation Shares were subject to a vesting period which ended on 6 September 2013. The vesting period could have been extended to 6 September 2015 if the Growth Condition had not been met. The Participation Shareholder can exercise its right to require the Company to purchase its Participation Shares at any time up to 6 September 2015.

Value

Subject to the provisions detailed above, the Management Participation Shares and Marwyn Participation Shares can each be sold to the Company for an aggregate value equivalent to 10% of the increase in "Shareholder Value" in the Company. Shareholder Value is broadly defined as the increase in market capitalisation of all ordinary shares of the Company issued up to the date of sale, allowing for any dividends and other capital movements.

Management Participation Shares

Under a management incentive scheme, 10,000 Management Participation Shares were created and Directors were allotted and purchased a number of those shares. On 30 September 2013, the Company purchased all of the Management Participation Shares satisfied by the issue of new ordinary shares of no par value in the Company ("Breedon Shares") in accordance with the above provisions. Details of the Management Participation Shares at the beginning of the year, purchased and at the end of the year are as shown in the table below.

Management Participation Shares issued to Directors:

	Participation in increase in Shareholder Value	Issue price	Nominal value of Participation Shares	Number of Participation Shares 1 January 2013	Number of Participation Shares purchased	Number of Participation Shares 31 December 2013	Number of Breedon Shares Issued
Peter Tom	4%	£0.50	£1,000	2,000	(2,000)	-	18,649,926
Simon Vivian	4%	£0.50	£1,000	2,000	(2,000)	-	18,649,926
Ian Peters	2%	£0.50	£500	1,000	(1,000)	-	9,324,963
			£2,500	5,000	(5,000)	-	46,624,815

Marwyn Participation Shares

The Group entered into a performance participation agreement with Marwyn Management Partners LP ("Marwyn") under which Marwyn agreed to assist the Company in meeting its business strategy. In exchange, the Group issued Participation Shares to Marwyn. On 30 September 2013, the Company purchased 2,620 Marwyn Participation Shares satisfied by the issue of new ordinary shares of no par value in the Company ("Breedon Shares") in accordance with the above provisions. Details of the Marwyn Participation Shares at the beginning of the year, purchased and at the end of the year are as shown in the table below:

	Participation in increase in Shareholder Value	Issue price	Nominal value of Participation Shares	Number of Participation Shares 1 January 2013	Number of Participation Shares purchased	Number of Participation Shares 31 December 2013	Number of Breedon Shares Issued
Marwyn Participation Shares	10%	£0.10	£1,000	10,000	(2,620)	7,380	12,346,584

David Williams, a Director of the Company, by reason of his previous role at Marwyn, retained an indirect interest in the Marwyn Participation Shares. During the year, Marwyn transferred part of its holding to certain of its partners and, as a consequence, David Williams is now directly interested in 2,073 Marwyn Participation Shares included within the table above. The Company did not purchase any Participation Shares from Mr Williams during the year.

19 Employee benefits (continued)

Valuation of Participation Shares
When the Participation Shares were issued, the Company was an unlisted shell-company and had not entered into any transactions up to that date other than the issue of 2 ordinary shares for £2. The initial fair value estimation placed on the Participation Shares took into account the lack of trading history of the Company and the absence of any deals or transactions to date. The total amount paid for the Participation Shares, being the nominal value of £3,500, was considered to be the best estimation of the initial fair value at the date of issue. In accordance with IFRS2 – Share Based Payment, on modification in 2010, the fair value of the Participation Shares was calculated using a binomial valuation model both immediately prior to and immediately after the modification. The increase in the fair value amounted to £93,000 which has been recognised over the period to 6 September 2013. In the current year, £18,000 *(2012: £28,000)* has been recognised as an expense in the Consolidated Income Statement in respect of Participation Shares.

During the year, £61,000 has been transferred to stated capital in respect of the Management and Marwyn Participation Shares purchased.

The binomial valuation model uses the following assumptions:

Date of modification	April 2010
Share price at modification date	15 pence
Exercise price	Nil
Hurdle rate	12.5%
Expected volatility	16.3%
Risk free rate	1.0%

Performance Share Plan
On 23 May 2011, the Group adopted the Breedon Aggregates Performance Share Plan (the "PSP") as a means of attracting, rewarding, motivating and retaining certain key senior employees. Under the PSP, awards may be granted as conditional shares or as nil paid (or nominal) cost options. Awards will normally vest three years after grant subject to satisfaction of the Performance Condition.

On 23 May 2011, the Group granted conditional awards over 6,979,451 shares under the PSP (the "Initial Award"). No PSP awards were forfeited, exercised or expired during the year.

Performance Period
The Performance Period applicable to the Initial Award is the period starting on 6 September 2010 and ending on or after 6 September 2013 but no later than 6 September 2015.

Performance Condition
The Performance Condition applicable to the Initial Award is that the average annual growth in the Company's total shareholder return over the Performance Period must be at least 12.5% per annum. During the year, the performance condition was met.

Valuation of PSP awards
The fair value of PSP awards was calculated using a binomial model which valued the awards at £730,635 which will be recognised over the period to 23 May 2014. In 2013, £244,000 *(2012: £243,000)* has been recognised as an expense in the Consolidated Income Statement in respect of PSP awards.

The binomial valuation model uses the following assumptions:

Date of grant	May 2011
Share price at date of grant	16.13 pence
Total shares under award	6,979,451
Expected volatility	40%
Risk-free rate	2.41%
Expected term	3.65 years

Notes to the financial statements
(continued)

19 Employee benefits (continued)

Sharesave Scheme

During the year, the Group operated a savings related share option scheme open to all employees (the "Breedon Sharesave Scheme").

The number and weighted average exercise prices of options granted under the Breedon Sharesave Scheme are as follows:

	Weighted average exercise price	Number of options
At 1 January 2012	15.7p	5,116,088
Granted during the year	15.6p	2,512,092
Exercised during the year	15.2p	(40,699)
Lapsed during the year	15.6p	(782,313)
At 31 December 2012	15.7p	6,805,168
At 1 January 2013	15.7p	6,805,168
Granted during the year	18.4p	1,126,880
Exercised during the year	16.4p	(45,798)
Lapsed during the year	15.7p	(521,373)
At 31 December 2013	**16.1p**	**7,364,877**

Details of share options outstanding at 31 December were as follows:

	Number 2013	Number 2012	Exercise Price	Exercise period
Breedon Sharesave Scheme	**2,028,391**	2,199,617	16.4p	1 May 2014 to 31 October 2014
Breedon Sharesave Scheme	**2,354,862**	2,442,071	15.0p	1 May 2016 to 31 October 2016
Breedon Sharesave Scheme	**659,548**	684,467	16.6p	1 May 2015 to 31 October 2015
Breedon Sharesave Scheme	**1,219,319**	1,479,013	15.2p	1 May 2017 to 31 October 2017
Breedon Sharesave Scheme	**410,085**	-	19.4p	1 May 2016 to 31 October 2016
Breedon Sharesave Scheme	**692,672**	-	17.8p	1 May 2018 to 31 October 2018
	7,364,877	6,805,168		

The fair value of services received in return for share options granted is measured based on a modified Black Scholes Valuation Model using the following assumptions:

	3 year options Granted 2013	5 year options Granted 2013	3 year options Granted 2012	5 year options Granted 2012	3 year options Granted 2011	5 year options Granted 2011
Fair value at measurement date	11.4p	13.6p	6.0p	7.7p	3.2p	5.3p
Share price at date of grant	26.5p	26.5p	20.5p	20.5p	17.5p	17.5p
Exercise price	19.4p	17.8p	16.6p	15.2p	16.4p	15.0p
Expected volatility	46.8%	43.8%	27.93%	25.64%	18.69%	18.69%
Option life	3 years	5 years	3 years	5 years	3 years	5 years
Expected dividend yield	0%	0%	0%	0%	0%	0%
Risk free interest rate	0.28%	0.69%	0.55%	1.05%	1.80%	1.80%

20 Financial instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing these risks.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

Treasury activities are managed on a Group basis under policies and procedures approved and monitored by the Board. These are designed to reduce the financial risks faced by the Group which primarily relate to movements in interest rates. Where appropriate, the Group uses financial instruments to manage these risks. No speculative use of derivatives, currency or other instruments is permitted.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from cash and cash equivalents, derivative financial instruments and, principally, from the Group's receivables from customers.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. The Group has credit insurance covering the majority of its private sector customers. At the reporting date, there were no significant concentrations of credit risk.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2013	2012
	£000	£000
Receivables	**49,209**	36,426
Financial instruments – derivatives	**24**	25
Cash and cash equivalents	**17,450**	5,048
	66,683	41,499

Credit risk associated with cash balances and derivative financial instruments is managed by transacting with financial institutions with high quality credit ratings. Accordingly, the Group's associated credit risk is limited.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region, being reportable segments, was:

	Carrying amount	
	2013	2012
	£000	£000
England	**18,879**	16,778
Scotland	**22,745**	16,119
	41,624	32,897

Notes to the financial statements
(continued)

20 Financial instruments (continued)

Management consider that the credit quality of the various receivables is good in respect of the amounts outstanding. The Group has no individually significant customers. The majority of the Group's customers are end-user customers. The Group credit insurance covers the majority of its private sector UK trade receivables subject to an aggregate first loss. The Group has fully provided for all its doubtful debt exposure. The credit risk is therefore considered to be low.

The ageing of trade receivables at the reporting date was:

	2013		2012	
	Gross £000	Impairment £000	Gross £000	Impairment £000
Not past due	37,991	-	28,703	-
Past due 0-30 days	1,981	-	2,375	-
Past due 31-60 days	804	-	870	-
Past due more than 60 days	1,543	(695)	1,711	(762)
	42,319	(695)	33,659	(762)

The movement in provisions for impairments of trade receivables are as follows:

	2013 £000	2012 £000
At 1 January	762	931
Charged to the Consolidated Income Statement during the year	334	302
Utilised during the year	(401)	(471)
At 31 December	695	762

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecasts and cash flows and negotiating appropriate bank facilities. The Group uses term and revolving bank facilities and sufficient headroom is maintained above peak requirements to meet unforeseen events.
The following are the contractual maturities of financial liabilities, including estimated interest payments at current rates:

31 December 2013

	Carrying amount £000	Contractual cash flows £000	Within one year £000	One to five years £000	More than five years £000
Non-derivative financial liabilities					
UK secured bank loans	59,833	64,200	2,100	62,100	-
Finance lease liabilities	12,031	13,271	5,041	8,230	-
Other liabilities	35,480	35,480	35,480	-	-
	107,344	112,951	42,621	70,330	-

31 December 2012

	Carrying amount £000	Contractual cash flows £000	Within one year £000	One to five years £000	More than five years £000
Non-derivative financial liabilities					
UK secured bank loans	62,822	69,713	2,208	67,505	-
Finance lease liabilities	16,284	19,401	5,948	13,453	-
Other liabilities	25,861	25,861	25,861	-	-
	104,967	114,975	34,017	80,958	-

The capital element of the UK secured bank loans is repayable in September 2015.

20 Financial instruments (continued)

Market risk
The Group's activities expose it to the risk of changes in interest rates. The Group's operations trade entirely in their functional currency and accordingly, no translation exposures arise in trade receivables or trade payables.

Interest rate risk
The Group currently borrows at floating and fixed interest rates. The Group uses interest rate caps to manage its exposure to changes in floating interest rates. At 31 December 2012, the Group had an interest rate cap with a notional contract amount of £64,500,000. This cap matured in March 2013 and capped interest rates (excluding margin) at 2.5% until 31 March 2013.

In addition, the Group has an interest rate cap effective from March 2013 until September 2015 with a notional contract amount of £30,000,000 *(2012: £30,000,000)* which caps interest rates (excluding margin) at 2.0%.

The Group classifies interest rate caps as cash flow hedges and states them at fair value. The fair value of the caps at 31 December 2013 was an asset of £24,000 *(2012: £25,000)*. This amount was recognised as a fair value derivative and the effective portion of the fair value is recognised in the cash flow hedge reserve.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Carrying amount

	2013 £000	2012 £000
Fixed rate instruments		
Financial liabilities	**(12,031)**	(16,284)
Variable rate instruments		
Financial liabilities*	**(59,833)**	(62,822)
Financial assets	**17,450**	5,048
	(54,414)	(74,058)

*variable rate financial liabilities include £30,000,000 *(2012: £62,822,000)* of notional debt subject to an interest rate cap (see above)

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate caps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
An increase of 100 basis points in interest rates in respect of variable rate instruments at the reporting date would have decreased equity and income and expenditure for a full year by £600,000 (2012: £631,000). A decrease of 100 basis points would have increased equity and income and expenditure for a full year by £300,000 (2012: £315,000). These analyses assume that all other variables remain constant.

Fair values versus carrying amounts
Derivative financial instruments, which are held for trading, are carried at fair value, calculated using quoted market prices relevant for the term, currency and instrument. The Directors consider that the carrying amounts recorded in the financial information in respect of other financial assets and liabilities, which are carried at amortised cost, approximates to their fair values.

The following table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either as a direct price or indirectly derived from prices
- Level 3 – inputs for the asset or liability that are not based on observable market data

Notes to the financial statements

(continued)

20 Financial instruments (continued)

	2013			
	Level 1 £000	**Level 2 £000**	**Level 3 £000**	**Total £000**
Derivative financial asset	**-**	**24**	**-**	**24**

	2012			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Derivative financial asset	-	25	-	25

At 31 December 2013, the Group did not have any assets or liabilities classified at Level 1 in the fair value hierarchy (2012: £nil). There have been no transfers in any direction in the year. The fair value of the derivative financial asset, being an interest rate swap, is based on a bank's valuation.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board closely monitors the shareholder base and earnings per share. Subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so. However, for now, the main focus of the Group will be on delivering capital growth for shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

There are financial covenants associated with the Group's borrowings which are minimum underlying EBITDA, interest cover and cash flow cover. The Group complied with covenants at 31 December 2013 and 31 December 2012.

21 Operating leases

Total non-cancellable operating lease rentals are payable as follows:

	2013		2012	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Less than one year	**1,285**	**1,623**	935	901
Between one and five years	**4,974**	**4,331**	3,333	2,983
More than five years	**8,860**	**723**	5,669	511
	15,119	**6,677**	9,937	4,395

The Group leases properties, vehicles and plant for operational purposes. Property leases vary in length up to a maximum of 100 years. Vehicle leases typically run for a period of up to seven years.

22 Capital commitments

During the year ended 31 December 2013, the Group entered into contracts to purchase property, plant and equipment for £1,954,000 *(2012: £2,206,000)*. These commitments are expected to be settled in the following financial year.

23 Related parties

During the year, the Group supplied services and materials to, and purchased services and materials from, its associated undertaking on an arm's length basis. It had the following transactions with this related party during the year:

	Revenue £000	Purchases £000	Receivables £000	Payables £000
2013				
BEAR Scotland Limited	**16,079**	**13**	**3,611**	**-**
2012				
BEAR Scotland Limited	5,118	4	535	-

During the year, the Group also supplied services to, and purchased services from, its 75% owned subsidiary undertaking on an arm's length basis. It had the following transactions with this related party during the year which have been fully eliminated on consolidation.

	Revenue £000	Purchases £000	Receivables £000	Payables £000
2013				
Alba Traffic Management Limited	**1,178**	**541**	**91**	**68**
2012				
Alba Traffic Management Limited	971	423	70	99

Parent and ultimate controlling party
The Company is listed on AIM and monitors its shareholder base on a regular basis. There is no controlling party.

Transactions with Directors and Directors' shareholdings
Details of transactions with Directors and Directors' shareholdings are given in the Directors' Report and the Directors' Remuneration Report on pages 36 to 38 and 44 to 48 respectively.

24 Earnings per share

The calculation of earnings per share is based on the profit for the year attributable to ordinary shareholders of £9,348,000 *(2012: £5,256,000)* and on the weighted average number of ordinary shares in issue during the year of 865,119,988 *(2012: 619,801,185)*.

The calculation of underlying earnings per share is based on the profit for the year attributable to ordinary shareholders, adjusted to add back the non-underlying items, of £9,651,000 *(2012: £4,176,000)* and on the weighted average number of ordinary shares in issue during the year as above.

Diluted earnings per ordinary share is based on 944,453,198 *(2012: 704,182,150)* shares and reflects the effect of all dilutive potential ordinary shares.

25 Contingent liabilities

The Group has guaranteed the hire purchase liabilities in respect of vehicles operating under the Group's owner driver scheme. The maximum contingent liability in respect of these guarantees amounts to £nil *(2012: £13,000)*.

The Group has guaranteed its share of the banking facilities of BEAR Scotland Limited, the Company's associated undertaking. The maximum liability at 31 December 2013 amounted to £1,838,000 *(2012: £1,838,000)*.

The Group has also guaranteed the performance of BEAR Scotland's contracts in respect of the maintenance of trunk roads in the North West, North East and South East of Scotland and in respect of the M80 Operating and Maintenance contract.

Notes to the financial statements
(continued)

26 Acquisitions

Marshalls quarrying assets
On 30 April 2013, the Group acquired certain trade and quarrying assets from Marshalls Mono Limited. This transaction has been accounted for as a business combination.

The fair value of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this business combination, are as follows:

	Book value £000	Fair value adjustments £000	Fair value on acquisition £000
Mineral reserves and resources	10,147	(117)	10,030
Land and buildings	289	100	389
Plant and equipment	2,810	1,282	4,092
Inventories	1,534	(771)	763
Provisions – restoration	(2,088)	-	(2,088)
Deferred tax liabilities	-	(253)	(253)
Total	12,692	241	12,933
Consideration – cash			19,392
Goodwill arising			6,459

The provisional fair value adjustments comprise adjustments to:

- revalue certain minerals, land and buildings and plant and equipment to reflect fair value at the date of acquisition;
- inventories to reflect fair/net realisable value;
- deferred tax balances.

The goodwill arising represents the geographic location of the assets acquired and the skills of the existing workforce.

The Group incurred acquisition related costs of £171,000 relating principally to external professional fees and due diligence costs which have been included as non-underlying administrative costs.

During the year, this business has contributed revenues of £7,696,000 and underlying EBITDA of £1,681,000 to the Group's results.

26 Acquisitions (continued)

Scottish trade and assets
On 30 April 2013, the Group acquired certain Scottish trade and assets from Aggregate Industries UK Limited. This transaction has been accounted for as a business combination.

The fair value of the consideration paid and the consolidated net assets acquired, together with the goodwill arising in respect of this business combination, are as follows:

	Book value £000	Fair value adjustments £000	Fair value on acquisition £000
Mineral reserves and resources	15,925	(425)	15,500
Land and buildings	4,810	2,054	6,864
Plant and equipment	5,300	(173)	5,127
Intangibles	-	305	305
Inventories	3,333	(604)	2,729
Provisions – restoration	(1,509)	-	(1,509)
Deferred tax liabilities	-	(468)	(468)
Total	27,859	689	28,548
Consideration – cash			34,598
Goodwill arising			6,050

The provisional fair value adjustments comprise adjustments to:

- revalue certain minerals, land and buildings and plant and equipment to reflect fair value at the date of acquisition;
- intangibles to reflect fair value;
- inventories to reflect fair/net realisable value;
- deferred tax balances.

The goodwill arising represents the geographic location of the assets acquired and the skills of the existing workforce.

The Group incurred acquisition related costs of £319,000 relating principally to external professional fees and due diligence costs which have been included as non-underlying administrative costs.

During the year, this business has contributed revenues of £16,585,000 and underlying EBITDA of £3,600,000 to the Group's results.

If both this acquisition and the acquisition of Marshalls quarrying assets had occurred on 1 January 2013, the results of the Group would have shown revenue of £234,780,000, underlying EBITDA, before share of associated undertaking, of £30,442,000 and underlying operating profit for the year of £15,636,000.

Cash flow effect
The cash flow effect of the above two acquisitions, excluding acquisition costs, can be summarised as follows:

	£000
Marshalls quarrying assets	19,392
Scottish trade and assets	34,598
	53,990

Notes to the financial statements
(continued)

26 Acquisitions (continued)

Prior year acquisitions
On 16 January 2012, the Group acquired the entire issued share capital of Nottingham Ready Mix Limited and on 16 July 2012, the Group acquired the trade and assets of Speyside Sand & Gravel Quarries Limited (comprising Rothes Glen Quarry). These transactions have been accounted for as acquisitions.

The fair value of the consideration paid and the net assets acquired, together with the goodwill arising in respect of these acquisitions, are as follows:

	Book value £000	Fair value adjustments £000	Fair value on acquisition £000
Mineral reserves and resources	500	(21)	479
Land and buildings	12	-	12
Plant and equipment	260	144	404
Inventories	136	22	158
Trade and other receivables	465	(7)	458
Cash	19	-	19
Trade and other current payables	(577)	(48)	(625)
Other interest bearing loans – current liabilities	(29)	-	(29)
Deferred tax liabilities	-	(5)	(5)
Total	786	85	871
Consideration – Cash			1,565
Goodwill arising			694

The fair value adjustments comprise adjustments to:

- revalue certain minerals, land and buildings and plant and equipment to reflect fair value at the date of acquisition;
- inventories to reflect fair/net realisable value;
- trade and other receivables to reflect recoverable amounts;
- trade and other current payables to reflect contractual liabilities.

The goodwill arising represents the geographic location of the assets acquired and the skills of the existing workforce.
The Group incurred acquisition related costs of £64,000 relating principally to external professional fees and due diligence costs which have been included as non-underlying administrative expenses.

During the prior year, these businesses contributed revenues of £3,067,000 and underlying EBITDA of £322,000 to the Group's results. If these acquisitions had occurred on 1 January 2012, the prior year results of the Group would have shown revenue of £173,727,000, underlying EBITDA, before share of associated undertaking, of £20,211,000 and underlying operating profit for the year of £8,863,000.

Cash flow effect
The net consideration shown in the prior year Consolidated Statement of Cash Flows of £1,546,000 in respect of these acquisitions comprises the cash consideration paid of £1,565,000 net of the cash acquired of £19,000.

27 Accounting estimates and judgements

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are described below:

Impairment of goodwill

The determination of whether goodwill and other indefinite life intangible assets should be impaired requires the estimation of future cash flows and growth factors adopted by each cash generating unit. Furthermore, discount rates applied to these cash flows determined by reference to the markets in which they operate and are risk adjusted to reflect risks and opportunities existing for each cash generating unit. These factors are all affected by prevailing market and economic factors outside the Group's control. Further information is included in note 9.

Mineral reserves and resources

A number of key assumptions have been made in determining the annual depletion charge. These assumptions include the amount of consented and unconsented reserves available for extraction; the estimated residual value; extraction rates; and the gaining of additional planning consents.

Fair values of assets on business combinations

In determining the fair valuation of assets acquired under business combinations, including the valuation of other intangibles, a number of estimates are made. These include the market value of minerals, property, plant and equipment, associated liabilities for contractual restoration provisions and the valuation of intangible assets, including customer lists and contracts. The reasons for any residual excess of consideration over the net asset value, being goodwill arising, are then identified. The Group has used independent experts where appropriate to assist with the determination of the market value of certain minerals, property and plant and equipment.

Restoration provisions

Estimated restoration costs have been derived on the basis of the most recent assessments of the likely cost. Certain factors concerning these costs are outside the Group's control. In making this assessment, the Group has sought the aid of independent experts where appropriate. Further information is included in note 17.

Property provisions

Estimated onerous lease, environmental and dilapidation costs have been derived on the basis of the most recent assessments of the likely cost. Certain factors concerning these costs are outside the Group's control. In making this assessment the Group has sought the aid of independent experts where appropriate. Further information is included in note 17.

Share based payments

In valuing the share based payments charged in the Group's financial statements, the Company has used a binomial model which makes various assumptions about factors outside the Group's control, such as share price volatility and risk free interest rates. Details of the options and assumptions used in deriving the share based payments are disclosed in note 19.

Deferred taxation

Deferred taxation has been estimated using the best information available, including seeking the opinion of independent experts where applicable (note 12).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given pursuant to the articles of association of Breedon Aggregates Limited (the "Company") that the Annual General Meeting of the Company will take place in the La Seigneurie Suite, St. Pierre Park Hotel, Rohais, St. Peter Port, Guernsey GY1 1FD on Thursday, 17 April 2014 at 2.00pm, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 6 (inclusive) will be proposed as Ordinary Resolutions and Resolutions 7 and 8 will be proposed as Special Resolutions:-

ORDINARY BUSINESS

Ordinary Resolutions

1. THAT the financial statements of the Company for the year ended 31 December 2013, together with the reports of the Directors and Auditor thereon be received and adopted.

2. THAT KPMG Channel Islands Limited, who have indicated their willingness to continue in office be and are hereby re-appointed as the Auditor of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company.

3. THAT the Directors of the Company be and are hereby authorised to determine the fee payable to the Auditor in respect of the year ending 31 December 2014.

4. THAT Robert Wood be re-appointed as a director of the Company.

5. THAT Peter Tom CBE be re-appointed as a director of the Company.

SPECIAL BUSINESS

Ordinary Resolution

6. THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Company's articles of association (the "Articles") to exercise all the powers of the Company to allot relevant securities (as defined in Article 6.2 of the Articles) in the Company, including, but not limited to, ordinary shares in the Company, and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company up to a maximum of 250,000,000 ordinary shares. The authority conferred on the Directors under this Resolution 6 shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require ordinary shares to be allotted or rights to subscribe for, or to convert any security into, ordinary shares to be granted after such expiry and the Directors may allot ordinary shares or grant rights to subscribe for, or to convert any security into, ordinary shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Special Resolutions

7. THAT the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot equity securities (within the meaning of Article 6.6 of the Articles) for cash or otherwise pursuant to the authority conferred by Resolution 6 above, as if Article 6.3 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities consisting of, or the right to subscribe for, or convert any security into shares in the Company, up to a maximum of 156,320,000 ordinary shares in the Company. The authority conferred on the Directors under this Resolution 7 shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require ordinary shares to be allotted or rights to subscribe for, or to convert any security into, ordinary shares to be granted after such expiry and the Directors may allot ordinary shares or grant rights to subscribe for, or to convert any security into, ordinary shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

8. THAT the Company be and is hereby generally and unconditionally authorised to make one or more market purchases of ordinary shares in the capital of the Company pursuant to Article 57 of the Companies (Jersey) Law 1991 as amended (the "Law") provided that:

(a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 50,338,329 (being 5% of the share capital of the Company in issue as at 19 March 2014);
(b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 1.0 pence;
(c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105% of the average middle market quotation of an ordinary share taken from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any ordinary share is contracted to be purchased by the Company;
(d) the Directors of the Company can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares;
(e) this authority will expire at the conclusion of the next Annual General Meeting of the Company held after the date on which this Resolution is passed or, if earlier, 18 months after that date;
(f) this authority shall only be capable of variation, revocation or renewal by Special Resolution of the Company; and
(g) the Company may make a contract or contracts to purchase ordinary shares under this authority before this authority expires which will or may be executed and completed wholly or partly after its or their expiration and may make a purchase of ordinary shares in pursuance of any such contract or contracts after its or their expiration.

By order of the Board
Breedon Aggregates Limited
19 March 2014

Notes

1. Under Jersey law a special resolution requires a two thirds rather than three quarters majority of those voting at the Meeting in person or by proxy to vote in favour of the resolution.
2. Every member who is present in person shall on a show of hands have one vote and every member present in person or by proxy shall on a poll have one vote for each share of which he is the holder.
3. A Form of Proxy is enclosed. To be valid, this Form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must reach the Registrar at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not less than forty-eight hours before the time appointed for holding the Annual General Meeting or adjournment or the taking of a poll at which the person named in the Proxy Form proposes to vote.
4. A member entitled to attend and vote at the meeting convened by this notice is also entitled to appoint one or more proxies. If a proxy other than the Chairman is desired, strike out "the Chairman of the AGM or" and insert the name or names preferred and initial the alteration. A proxy need not be a member of the Company but must attend the meeting in person.
5. If a member wishes his proxy to speak on his behalf at the meeting, he or she will need to appoint his own choice of proxy (which is not the Chairman) and give instructions directly to the proxy. The completion and return of a form of proxy will enable you to vote at the meeting without having to be present at the meeting, but will not preclude you from attending the meeting and voting in person if you should subsequently decide to do so.
6. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. If you wish to appoint the Chairman as one of your multiple proxies, leave the words "Chairman of the AGM" on the relevant proxy card.
7. Shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly (under CREST participant ID RA10) authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by the latest time(s) for receipt of proxy appointments by 2.00 pm on 15 April 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised. In the case of an individual, the form of proxy must be signed by the individual or his or her attorney duly authorised.
11. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of any other joint holders and for this purpose seniority will be determined by the order in which the names are recorded in the Register of Members.
12. The Directors of the Company will interpret any ambiguous proxy appointments. The Chairman of the meeting will, in his capacity as proxy, interpret any voting instructions he receives. Their respective determinations shall be final.
13. Any alterations made to the Form of Proxy must be initialled by the person who signs it.
14. The Company, pursuant to Article 40 of the Companies Uncertificated Securities (Jersey) Order 1999, specifies that only those members registered in the register of members of the Company as at 6.00pm on 15 April 2014 or, in the event that the Meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting(s), shall be entitled to attend or vote at the Meeting or any adjournment thereof in respect of the number of shares registered in their name at that time. Changes to the register of members after these times will be disregarded in determining the rights of any person to attend or vote at the Meeting or any adjournment thereof.

ADVISORS & COMPANY INFORMATION

COMPANY SECRETARY
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St Helier
Jersey
JE2 3RT

REGISTERED OFFICE
Elizabeth House
9 Castle Street
St Helier
Jersey
JE2 3RT

REGISTERED IN JERSEY
Company number 98465

INDEPENDENT AUDITOR
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St Helier
Jersey
JE4 8WQ

NOMINATED ADVISER
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

LEGAL ADVISER
Carey Olsen
47 Esplanade
St Helier
Jersey
JE1 0BD

SHAREHOLDER INFORMATION

REGISTRAR AND TRANSFER OFFICE
The Company's Registrar is Capita Registrars (Jersey) Limited. The address of the Company's Registrar, to which all enquires concerning shareholdings should be addressed, is Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Shareholder enquiries can also be made to 0871 664 0300. Calls cost 10p per minute plus network extras. Lines are open 8.30am to 5.30pm, Mondays to Fridays. Enquiries from outside the UK should be made to +44 208 639 3399.

Email: ssd@capitaregistrars.com
Website: www.capitaassetservices.com

CONTACT
If you require information regarding Breedon Aggregates, please contact:

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BREEDON
AGGREGATES

Quality and Service. Delivered.

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FSC Logo