Registered number
00245717

Aggregate Industries UK Limited

Annual Report and Financial Statements
for the year ended 31 December 2022

Aggregate Industries UK Limited
Annual Report and Financial Statements
for the year ended 31 December 2022

Aggregate Industries UK Limited
Company Information

Directors
G Lyons
D Maksimovic
P J Norah

Secretary
P J Norah

Independent Auditor
Mazars LLP
2 Chamberlain Square
Birmingham
B3 3AX
United Kingdom

Registered office
Bardon Hall
Copt Oak Road
Markfield
Leicestershire
LE67 9PJ
United Kingdom

Registered number
00245717

The Directors present their Strategic Report for the year ended 31 December 2022.

Business review

The principal activity of Aggregate Industries UK Ltd ("the Company") is the production and supply of heavy building materials for construction activities. The Company is intent on grounding sustainability in the UK construction industry through being progressive, reliable and collaborative.

The Company's Statement of Profit and Loss and Other Comprehensive Income and Balance Sheet appear on pages 15 and 16 respectively. The Company's key financial and other performance indicators during the year were as follows:

	2022 £'000	2021 £'000	Change %
Turnover	**1,447,663**	1,301,826	11
Operating EBITDA*	**212,358**	188,380	13
Net Assets	**494,101**	438,967	13
LTIFR**	**0.5**	0.5	-

*Operating EBITDA represents operating profit before depreciation, amortisation of intangible assets, impairment of investments and tangible fixed assets and exceptional costs.
**LTIFR represents number of on-the-job injuries that require a person to stay away from work for a day or more per one million hours worked. Its consistant in the year compared to previous year.

Factors affecting the Key Performance Indicators in 2022 are as follows:

Turnover of £1,448m was higher in 2022, mainly due to recovery from the Covid 19 pandemic, along with increases in prices towards the end of 2021 as result of increasing costs.

Operating EBITDA of £212,358k was higher in comparison to 2021, again largely due to economic recovery with improved volume and increased sales prices to recover inflationary cost pressures. The Company has reaped the benefits of a number of cost reduction initiatives implemented across the business in areas such as operational excellence, procurement, logistics, sales and general administration functions. The Company has managed Net Working Capital in line with activity levels and continues to have a strong financing base with access to both third party facilities and also funded by Holcim Ltd.

Net assets have increased year on year, primarily due to the profits generated in the year of £128,915k and waiver of £32,531k debt payable to parent / group companies. This was offset by dividends paid of £67,263k, Cash flow hedge £8,949k (net of deferred tax) and net actuarial loss from the pension scheme of £13,473k (net of deferred tax).

During the year, the Company received a dividend from its wholly owned subsidiaries which resulted in investment impairment (note 11) in the Company. The Dividend income offsets the investment impairment and the net impact in the profit and loss account is £1,254k (note 11), which is reflected below operating profit. The Company also divested a wholly owned subsidiary, Lafarge Ireland Limited.

Whilst the Company's LTIFR performance was relatively in line with 2021, it still continues to invest in and focus on safety.

Dividends

The Company paid a dividend of £67,263k, £670.62 per share (2021: £23,732k, £236.61 per share) during the year.

Outlook

It is anticipated that the UK construction output will fall by 4% in 2023, although notably from a historic high after two years of growth that raised activity to levels higher than pre-pandemic. The outlook for the sector is encouraging for the medium to long term with the Government accelerating major infrastructure to boost the economy.

The Company is expecting to maintain the benefit of the initiatives that were implemented in the previous year, delivering both operational and financial efficiencies through 2023 and beyond. These initiatives will help the business to deliver profitability levels during 2023.

The Company will continue to focus on effectively managing net working capital and expects to have access to funding from Holcim Ltd and its subsidiaries.

Fundamental to all of the actions is the health and wellbeing of our employees. The Business Resilience Team (BRT) continued the swift actions to maintain a safe operating environment. The BRT continues to meet regularly to monitor the local and UK government responses and implement new operating measures where needed to protect our employees, contractors, visitors and customers.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as Economic risks, Competitive risks, Legislative risks, Weather risks, Energy costs, Financial instrument risks, Covid 19 and Inflation risk.

Economic risks
Demand for our products is closely linked to general economic conditions in the regions in which we operate. Depressed economic conditions could have a detrimental impact on demand for, and pricing of, our products which could result in reduced sales and profits. The Company has a diversified products portfolio for building materials and a presence in most of the regions of the United Kingdom to mitigate the risk of reduced demand in any particular region or product class.

Competitive risks
Significant major contracts with various customers, including local authorities and national agencies are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

In addition, there exists the risk of competitors entering into the market or expanding existing market shares through price cutting and "loss leader" products.

The Company focuses on customers and engages with them on a regular basis to be a preferred supplier. The Company is committed to be the UK leader in innovative and sustainable building solutions and monitor the market dynamics on a regular basis to mitigate the risk.

Principal risks and uncertainties (continued)

Legislative risks
Building materials and construction products are produced to locally and nationally imposed standards. Failure to comply with the standards could materially affect the Company's ability to operate.

National and local government policies with regard to the development of infrastructure and housing have a significant effect on demand for our products. Reductions in government funding for construction projects could reduce spending on our products and potentially reduce our sales and profits.

Changes in government policy or legislation relating to planning and the environment could affect our operating costs and our ability to increase or replace our permitted reserves.

The Company actively monitors the political environment in order to identify and anticipate any adverse impact from any such changes. When necessary, mitigation measures are taken to adapt the Company's activities and to protect our people, environment, assets, reputation and legal exposure.

Weather risks
Periods of inclement weather can reduce the demand for our products or our ability to produce our products and thereby could potentially reduce our sales and profits. The reduced volume during bad weather can be mitigated by increasing the volume during good weather to avoid adverse impact on the business.

Energy costs
The Company is a significant consumer of energy and hydro-carbon related products for use in production and distribution of its products. Increases in the costs of these materials can significantly impact the production costs of our products and if the Company is unable to recover such costs through the prices of our products this could reduce our profits. To mitigate this risk, the Company aims to increase the prices to recover the increasing costs which help the business to be resilient to the cost increases.

Financial instrument risks
The Company faces credit, liquidity and cash flow risks.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Credit risks, or the risk of counterparties defaulting, are constantly monitored. Counterparties to financial instruments consist of trade and financial receivables from related companies. The Company follows an expected credit loss model in line with IFRS 9 and does not expect any counterparties to fail to meet their obligations, given their high credit ratings. In addition, the Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company. The Company also manages liquidity risk via long term debt with the facilities from Holcim Ltd and its subsidiaries.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on variable rate debt. The Company is largely funded through the loans from Holcim Ltd and its subsidiaries at a fixed rate of interest. As such the timing and amount of repayments are known.

Covid-19 (Coronavirus)
The acute phase of the Covid-19 pandemic has passed, recent upticks in infections associated with the inherent uncertainty regarding new variants require a continuous monitoring of the pandemic.

Inflation
The conflict in Ukraine has caused energy and food price increases, supply chain difficulties and general instability. In such conditions, economic activity may be negatively affected. In particular, inflation following the Covid-19 pandemic and the geopolitical tensions in Europe has increased significantly. An increase in energy prices has the potential to adversely impact the Company's financial performance, if the increase in such costs may not be passed on (fully or partially) in the sales prices charged to customers. To mitigate this risk, the Company aims to increase the prices to recover the increasing costs which help the business to be resilient to inflation.

Section 172(1) Statement

Directors of the Company are required to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole.

The Board recognises that the long-term success of the Company is dependent on the way it interacts with a large number of stakeholders. The information below sets out the key relationships and stakeholders and shows how the relevant stakeholder engagement takes place and interactions are reported up to the Directors of the Board.

This is against a backdrop of a successful year for the Company, which included notable press releases on the following:
- Acquisition of Wiltshire Heavy Building Materials
- Launch of our Sustainability Strategy
- Appointment of new Chief Financial Officer, Garrath Lyons
- Appointment of new Managing Director - Surfacing Solutions, Thomas Edgcumbe
- New product launches - Dynamax, Foamix, Warm Mix Asphalt, Eco-Pact AS Prime, Super Low Carbon
- Award of National Highways PDF Framework Contract
- Award for Super Low Carbon
- Award for Ripon Quarry Restoration

Section 172(1) Statement (continued)

1. PEOPLE

The health and safety of our employees and achieving the goal of 'zero harm' continues to be the Company's overarching value. The company's "Boots on Ground" online tool continues to drive consistent attendance of management and supervisors on-site, engaging with the frontline employees. The Company also continues with its annual Back To Work Day, focused on Health & Safety, and mandating all colleagues take time away from their operational duties to focus on reflection and further improvement in this area. Health, Safety & Environment strategies are under constant review and following a successful strategic relaunch within the Readymix Division, an updated corporate Health & Safety strategy will be delivered in 2023.

The Company continues to invest heavily in diversity and inclusion, with a focus on its Equality, Diversity & Inclusion Strategy consisting of five key pillars, each with a dedicated ExCo sponsor. These pillars include well-supported Affinity Groups, external 360 assessments, a zero tolerance approach to inappropriate behaviour, and a continued focus and drive for balance and representation across the business.

The Company's employees are critical to its success, and their health and wellbeing is supported comprehensively through the award-winning Healthy You strategy. A new team has now been put in place to lead the Healthy You programme ongoing with a renewed focus on three key areas of health; physical, mental, and financial. Employees also have access to a confidential integrity line to share any concerns. Matters raised on the integrity line are presented to and discussed by the Directors to ensure prompt resolution of issues raised.

In 2022, the Company took part in Holcim's Engagement Survey to further gauge how colleagues feel about the Company as an employer. The results of the survey have shaped initiatives designed to capture suggested improvements to operational site and office environments such as Great Place to Work and Your Space Your Voice. Senior management and directors continue to monitor the progress of such initiatives.

Regional and senior management host open agenda and open forum sessions and listening circles across regions to capture feedback from employees across a diverse range of roles and locations.

Senior management and directors are sponsors of the pillars underpinning our EDI strategy and receive monthly updates on activities. The leaders of employee network groups provide member feedback to a subset of the directors each quarter. This feedback has directly impacted.

2. BUSINESS RELATIONSHIPS

a. Customers

The Company aims to be the preferred supplier of construction materials solutions for the building and infrastructure industry. Customer satisfaction is a key consideration in decision making about products and services. The Company aims to add value to our customers through knowledge and expertise, systems, controls and processes and quality reviews. In 2022, the Company launched Your Carbon Report which makes carbon data available to our customers to support them in their own decarbonisation journey.

The Directors have direct interactions with customers and receive updates on and discuss customer satisfaction and key customer initiatives from the Company's management on at least a monthly basis.

b. Suppliers

The Company has a limited pool of large local and international suppliers and partners with a high volume of small and independent businesses.

Based on the UN Global Compact and the Company's standards all suppliers are expected to adhere to our health and safety, social and environmental expectations and the Company supports them in their continuous improvement.

The Directors monitor and discuss payment terms and receive regular updates on supplier performance from the Company's management team.

3. COMMUNITY

The Company actively contributes to the social and economic development of the communities in which it operates. The Board encourages community engagement through community liaison meetings, open days for the general public, sponsorship of community events and grassroots sport and by providing materials, resources and voluntary labour and ensures that community investment is making the best use of the Company's relevant business skills, products and experience.

To further support our ambitions around volunteering in the community, we partnered with Neighbourly. This partnership gives our colleagues the opportunity to volunteer for good causes local to them. Our Sustainability and EDI Teams also support further community engagement opportunities, for example, Leicester Pride, for which the Company was a headline sponsor in 2022.

Feedback and insights obtained from interactions with members of the community are shared by the Company's management with the Directors.

4. ENVIRONMENT AND SUSTAINABILITY

The Company is committed to becoming the UK leader of innovative and sustainable building solutions and launched its sustainability strategy in April 2022. The strategy clearly sets out the Company's goals under five different pillars and supports our ultimate parent company Holcim Ltd's market leading sustainability ambitions throughout 2022. The team has continued to expand in order to drive its sustainability performance forwards and reduce the adverse environmental impact of its operations. The Directors regularly discuss the Company's performance in relation to its sustainability goals and divisional working groups have been established to drive performance.

The Company has developed a number of leading sustainable products. The Company remains focused on expanding the sustainable product portfolio following the 2022 additions to the ECOPact Prime range, the launch of SuperLow-Carbon Asphalt containing biogenic binder, and the launch of Aggneo.

There has also been progress in other areas with our first electric mixer truck scheduled to be on the road in 2023 and our Office Goes Green programme which worked to reduce the environmental impact at our head office.

Section 172(1) Statement (continued)

4. ENVIRONMENT AND SUSTAINABILITY (continued)

a. Energy

The Company has agreed energy and carbon targets which are monitored regularly and reviewed annually.

The Company has also implemented metering and measurement programs where applicable to ensure data availability and accuracy.

The details of the Company's energy saving activities for 2022 are provided in more detail within the Streamlined Energy & Carbon Reporting (SECR) section of this report. The Company's Net-Zero Carbon Strategy, to be published in 2023, further outlines the Company's commitment to improving energy efficiency and focus on new technology and renewable energy generation.

b. Circular Economy

Throughout 2022 there has been an increase in company focus with regards to the Circular Economy and specifically the use of Construction and Demolition Waste (CDW). The Company is committed to playing a significant role in achieving our parent company Holcim's goal to recycle 10 million tonnes of CDW per annum by 2025. This is to be achieved by all divisions contributing to the use of CDW with the aim of upcycling the material wherever possible. We continue to scale up the reuse of aggregates and bitumen from worn out roads which will be taken to produce new roads.

c. Environment

The Company is committed to reducing the amount of freshwater used in its processes, through increased water recycling and rainwater harvesting. Freshwater reduction goals have been set for 2025 for both the Cement and Aggregates divisions with a goal for Readymix to be established in early 2023. We also continue to maintain and apply stringent environmental controls through our ISO 14001 environmental management system.

The Company implements biodiversity management plans for all active extraction sites and works to protect, restore and enhance biodiversity habitats and species on and around our sites. Our work in this area was recognised in 2022 when the Company won the restoration award for their former Ripon Quarry at the European Aggregates Association Awards. The Company continues to progress towards its target of being a nature-positive company that protects the environment within which we operate.

The Directors monitor environmental performance through regular reporting from management.

5. ULTIMATE PARENT COMPANY

The ultimate parent of the Company is Holcim Ltd (herein referred to as the Group). The Group's overarching goal of effective corporate governance is defined as long-term value creation and strengthening of the Group's reputation. The Group formulates policies and directives that apply to its subsidiaries to support good corporate governance and enhance transparency.

The Group's Code of Business Conduct promotes acting with integrity and is binding on all employees working for any of the Group's subsidiaries. Depending upon the risk profile of an employee's role, the Group provides additional compliance training covering Fair Competition and Anti-Bribery & Corruption Competition Law. The Directors and members of the Company's senior management team are intent on executing the Group's Strategy 2025 - "Accelerating Green Growth"; whereby it aims to become the global leader in innovative and sustainable building solutions. This follows the Group's overachievement of Strategy 2022 - "Building For Growth".

The Directors meet with members of the Group's senior management team throughout the year to present the operational and financial performance results and obtain support for key strategic and capital allocation decisions.

6. DECISION MAKING AND PLANNING

The Board believes that the governance of the Company is best achieved by delegation of its authority for day-to-day management to the Company's Executive Committee under a clear set of authorities. The Executive Committee is responsible for the overall management of the Company including its business divisions and supporting functions.

The Board recognises its duties and oversight role. The Directors have a broad range of knowledge, skills and industry expertise (including general management, operational and finance expertise) to carry out their duties to a high standard. The Directors provide oversight by regularly reviewing reports from the business divisions and functions. In addition, operating and financial performance and key decisions taken are routinely discussed with the Directors to ensure that proper consideration is given to stakeholders in decision making.

Those delegated persons with authority to take decisions have access to functional support from the Group and at a local level to identify matters which may impact a proposed decision and support the assessment of both short-term and long-term implications.

As part of the annual planning cycle, the Directors review the Company's strategy plan, a mid term plan covering three years (including the budget) and risk management presented by members of the Executive Committee.

The principal decisions made in 2022 are outlined below.

a. Appointment of CFO - As of October 2022, a new CFO of the Company was appointed.

b. Dividends paid - More information on issued dividends for the year 2022 can be found on page 8 in the Directors' Report.

Streamlined Energy And Carbon Reporting (SECR) Disclosure
The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1 and 2 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

	2022	2021
ENERGY CONSUMPTION AND EMISSIONS		
Energy consumption used to calculate emissions (kWh)	1,011,613,136	1,059,247,921
Emissions from combustion of gas (Scope 1) tCO2e	46,539	53,805
Emissions from combustion of fuel for transport purposes (Scope 1) tCO,e	152,622	153,635
Emissions from purchased electricity (Scope 2, location-based) tCO2e	27,078	31,133
Emissions from purchased electricity (Scope 2, market-based) tCO2e	-	-
Total gross tCO2e based on above (location-based)	226,240	238,573
Total gross tCO2e based on above (market-based)	199,161	207,440
Intensity ratio (tCO2e/production tonnes) (location-based)	0.005457	0.005426
Intensity ratio (tCO2e/production tonnes) (market-based)	0.004804	0.004718

Energy efficiency action summary
The Company continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements. In 2022 a new 'Energy Efficiency & Demand Management' Workstream was set up as part of a wider net-zero carbon strategy, activities within this workstream included;

- POWER Program: A series of initiatives focused on electricity saving rolled out across our estate including detailed energy assessments, a network of energy champions and an energy treasure hunt.
- ISO50001: A company wide energy management system to support ongoing improvements including management objectives and individual site energy plans with identified energy efficiency projects.
- Continued roll out of variable speed drives on suitable motors, LED lighting, optimisation of compressed air systems and operational control mechanisms.
- Monitoring & targeting of idle time within our heavy mechanical equipment fleet.
- Installation of a large, energy neutral conveyor system at our Bardon Hill quarry.
- Completion of an estate wide roll-out of smart metering, sub meters and supporting energy data management platform to collect and combine procurement, usage, and sustainability information from multiple data sources to improve and accelerate consumption visibility, emissions management and sustainability reporting.
- Procurement of low carbon electricity supplies with zero emissions.
- Tendering & the ongoing development of onsite solar energy generation at multiple locations.

Methodology notes

Reporting Period	1st of January 2022 – 31st of December 2022
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with Aggregate Industries UK Limited annual accounts made up to 31st December 2022.
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting
Emissions factor source	DEFRA, 2022 for all emissions factors https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
Conversion factor source	Natural Gas and gasoline: Federal Register EPA; 40 CFR Part 98; e-CFR, June 13, 2017 EPA GHG Emission Factors Hub Diesel - U.S. Energy Information Administration – British Thermal Unit Conversion factors 2020 LPG: - Climate Leaders Greenhouse Gas Inventory Protocol Core Module Guidance Direct Emissions from Stationary Combustion Sources 2008 Gas Oil - https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022 LFO; MGO; Kerosene https://www.epa.gov/system/files/documents/2022-04/ghg_emission_factors_hub.pdf LNG - https://www.iea.org/reports/energy-statistics-manual
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption
Other relevant information on calculation	Where applicable consumption was converted to kWh using conversion factors linked above, while emissions were calculated with the DEFRA emission factors. Transport data was calculated from litres to kWh and GHG emissions using the method above. In absence of the exact engine sizes of the vehicles average conversion factors were used to calculate emissions. In addition to the minimum requirements, the energy consumption and the relevant CO2 emissions of additional fuels (LFO, LPG, Gas Oil, LNG, MGO, kerosene) are included in the report. Please note when using market based approach, for Scope 2 electric usage zero associated carbon emissions has been reported as the supply came from nuclear sources (REGOs backed). The supply meets the requirement of the GHG Protocol Corporate Guidance as well as independently verified by Carbon Trust.

Streamlined Energy And Carbon Reporting (SECR) Disclosure (continued)

Reason for the intensity measurement choice	Following the recommendations of the SECR legislation and based on the nature of our business, production (tCO2e/production tonnes) gives the best overview on our efficiency performance on a longer scale.
Rounding	Due to rounding there might be a minor difference compared to the actual GHG emissions (no more than 1%).
Amount of nuclear electricity (kWh) imported from grid	140,065,971 (2021: 146,661,586)
Estimation	The report contains an estimate for electricity consumption of no more than 1%. Depending on the nature of the missing data the following estimation methods were used: Average value of +/-2 surrounding months; Average value from past 3 months; Value from same month of prior year.

This report was approved by the board and signed on its behalf by:

DocuSigned by:
Garrath Lyons
C6370A0E032544B...

G M Lyons
Director
28 April 2023

Aggregate Industries UK Limited
Directors' Report
for the year ended 31 December 2022

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Directors
The following Directors held office during the year and up until the date of signing:

J F Bowater - Resigned 31 December 2022
G Lyons - Appointed 1 December 2022
D Maksimovic
P J Norah

Information on the Directors' remuneration is shown in note 5.

Dividends

The Company paid a dividend of £67,263k, £670.62 per share (2021: £23,732k, £236.61 per share) during the year.

Going concern

The Directors consider that the Company has sufficient resources to meet its obligations as and when they fall due in the 12 months from the date of approving these financial statements.

In concluding this, the Directors have considered the Company's liquidity position, any risks to the cash flows and funding, and the Company's outlook. Sales revenue has significantly increased during the financial year ended 31 December 2022 and the Company has acquired a new revenue stream to supplement the existing sales revenue. In addition, the Directors have taken steps to implement new supply chain initiatives to reduce operating costs. The Directors are confident that these measures will optimise the Company's cash flow and liquidity position to strengthen its financial position.

The Directors considered financial forecasts, including downside forecast scenarios for the next 12 months from the date of the approval of these financial statements. The forecasts support the preparation of the financial statements on a going concern basis, based on the following assumptions:

- consistent revenue growth from the Company's activities during the upcoming financial year
- the Company having ongoing support of its bank and access to undrawn facilities
- the Company maintaining access to the cash pooling arrangements provided by the Group
- the Company not repaying long term debt provided by the Group until the due dates in 2027 and 2028
- no major changes to the Company's operational framework, including to major suppliers, customer segments or the Company's workforce, are expected for the forecast period.

Future developments

The Company intends to continue to operate in the supply of heavy building materials for construction activities. The Company is intent on grounding sustainability in the UK construction industry through being progressive, reliable and collaborative.

Research and development

The Company invests in activities for continued manufacturing and process improvements.

Events since the balance sheet date

During 2023, an interim dividend of £94.72 per ordinary share was paid, totalling £9,500k.

Financial instrument risks

Details of financial instrument risks are provided in the Strategic report on page 3.

Employment policies

The Company provides regular updates to employees on matters which may affect them, including the economic and financial factors which may influence the Company's performance.

The Company is committed to continuing its policy of non-discrimination in the employment of disabled persons and in particular to the provision of training and career development opportunities.

Employment policies, and other relevant information, can be found through the internal intranet site or directly from a HR business partner.

Employee Engagement

Our employees are our most valuable asset.

The Company's commitment is to put the health and safety of our employees first in all that we do as an organisation. The Mental Health First aider programme continues to provide support and guidance to our colleagues.

We are committed to investing in and developing our employees. Our training programs offer a mix of on-line resources and face-to face engagement and cover a broad range of topics including safety leadership.

The Integrity Line is a confidential reporting portal which allows all our employees to raise any concerns or questions they may have, anonymously if they wish. This resource is in addition to other initiatives such as 'Safe place to talk' which was set up because we firmly believe that no one should experience fear, sexual harassment, abuse, bullying or discrimination at work.

We have regular communication with all employees about health and safety performance, training opportunities and other key developments.

In 2022, the Company took part in Holcim's Engagement Survey to further gauge how colleagues feel about the Company as an employer. The results of the survey have shaped initiatives designed to capture suggested improvements to operational site and office environments such as Great Place to Work and Your Space Your Voice. Senior management and directors continue to monitor the progress of such initiatives.

Employee Engagement (Continued)
Regional and senior management host open agenda and open forum sessions and listening circles across regions to capture feedback from employees across a diverse range of roles and locations.

Senior management and directors are sponsors of the pillars underpinning our EDI strategy and receive monthly updates on activities. The leaders of employee network groups provide member feedback to a subset of the directors each quarter. This feedback has directly impacted.

Business Relationships
The Company continues to develop its product range to provide customer centric solutions. We continue to invest in and develop lower carbon solutions, across our businesses, enabling our customers to provide construction solutions which benefit the end consumer and reduce our impact on the planet.

We partner with our suppliers to deliver value-for-cost procurement for our business and our customers, and to demonstrate responsible supply chain management. The principles of sustainable development, value creation, sustainable environmental performance and corporate social responsibility are integral to our business strategy. Our approach to sustainable procurement is based on the standards enshrined in the United Nations Global Compact and is set out more fully in our Code of Business Conduct for Suppliers.

Corporate Governance

Compliance with the Wates Principles

For the year ended 31 December 2022, the Company has continued to apply the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council ('FRC') in December 2018 and available on the FRC website).

Principle 1. Purpose and Leadership

As a member of the global Holcim group, the Company have developed a strategy that plays to our unique strengths as a company, with the aim to drive profitable growth and simplify the business in order to deliver resilient returns and attractive value to stakeholders.

Our goal remains the long-term sustainable value and success of the Company in the interests of various stakeholder groups including customers, shareholders, employees, creditors, suppliers, and the communities where the Company operate.

Our leadership recognises that a key factor in our success is keeping our people safe. The Company believes that "if we're good in safety, then we're good in business". This is why the Company recognises health and safety as a critical success factor for our operational performance and not a separate activity. The Company see health and safety as a core competency at all levels of our organisation, from site operators to top managers; it is also a key component of successful personal performance.

Central to our strategy is the idea that the construction sector plays an important role in building a more sustainable future. The Company believe in building a world that works for people and the planet. A world that keeps people safe, connected and thriving. With our customers and partners the Company are advancing society and uplifting communities. But today the Company want to play an even bigger role. That's why the Company is reinventing how the world builds on our way to becoming net zero.

The Company understands that acting with integrity creates trust, protects our reputation, lowers our cost of doing business, and enhances shareholder value. Through our updated Code of Business Conduct. The Company enables all our Directors, officers and employees to share our commitment to conducting business with integrity, and also provide guidance on how to put this commitment into practice. The Code of Business Conduct also helps to ensure that The Company are adhering to applicable laws and regulations. Of equal importance to us is how suppliers, the Company work with, conduct their business in the marketplace. The Company strives to ensure all suppliers behave in accordance with principles set forth in our refreshed Supplier Code of Conduct, particularly when it comes to human rights, labour related issues, the environment and anti-bribery and corruption.

Our approach to corporate governance seeks to ensure transparent and sustainable value creation by clearly delineating responsibilities, management processes and organisation. The Company actively encourages a culture in which all stakeholders can speak out and raise concerns about our conduct without threat of sanction and, through our independent 'Integrity Line', provide an independent mechanism to achieve this. The Company applies high standards to corporate governance, with the goal of ensuring the Company's long-term value and success for all stakeholder groups.

Principle 2. Board Composition

The Company's board of Directors comprises three statutory Directors, including the Chief Executive Officer, the Chief Financial Officer and General Counsel. The Directors have considerable experience in the construction materials sector across operational and professional subject matters.

The Board delegates the day to day management of the Company to the Executive Committee under a clear set of authorities. The composition of the Executive Committee is commensurate with the size and complexity of the Company, with each member holding key responsibilities over defined areas of the business. This ensures a culture of constructive challenge and effective decision making. The Company continue to look for ways to make the Committee more reflective of our workforce and the wider communities the Company serves and work in.

The Executive Committee has a broad range of knowledge, skills and industry expertise (including general management, operational and financial) to carry out their duties to a high standard.

The Group plays an active role in the appointment of Directors to the board and members to the Executive Committee, assessing their ongoing effectiveness and identifying development opportunities to maximise their effectiveness.

Corporate Governance (continued)

Principle 3. Director Responsibilities

The Group's Code of Business Conduct ensures that all Directors, officers and employees share Holcim's commitment to conducting business with integrity, and provides guidance on how to put this commitment into practice, while adhering to local laws and regulations.

The Board recognises its duties and oversight role. The Directors provide oversight by regularly reviewing performance, KPIs, and financial reports from the business divisions and functions. In addition, operating and financial performance and key decisions taken are routinely discussed with the Executive Committee to ensure that proper consideration is given to stakeholders in decision making.

As part of the annual planning cycle, the Board reviews the Company's strategic plan, a mid term plan covering three years (including the budget) and risk management presented by members of the Executive Committee.

The Board assumes responsibility to seek and receive reports from various internal departments that the Company's financial reporting, governance, risk management and internal control processes are operating effectively and in line with Group standards. In addition, the Company has appointed the Risk and Assurance department to oversee and audit compliance with Company policies and processes and make recommendations on improvement opportunities.

Principle 4. Opportunity and Risk

The Executive Committee seeks out opportunities while mitigating risks utilising a combination of industry knowledge and management expertise. In addition, dedicated specialist functions are responsible for providing insight in areas such as procurement, commercial, health and safety, pricing and market analysis and customer care. The Company's key risks are set out in the Strategic Report on page 2. The Executive Committee meets with members of the Group's senior management team throughout the year to present the operational and financial performance results, discuss opportunities for innovation and any relevant business risks, and obtain buy-in and supporting information for key strategic and capital allocation decisions. Employees at all levels are encouraged to feed any identified opportunities and risks up through their management structure.

The Company's Strategy team is tasked with building the Company's long-term strategic plans and coordinating merger and acquisitions activities, including market and sector analysis and identification of business development opportunities.

The Company's Risk & Assurance team manages the Company's business risks by performing risk assessments across the business and carrying out regular business reviews on a planned or ad hoc basis along with investigating any suspected or reported breach of policy or standards. Key opportunities, issues and risks resulting from these activities are reported to the Board. The Risk & Assurance team also liaises with the Holcim Group Internal Audit for any Group coordinated audits that may arise.

The Company also implements the Holcim Policy Landscape as well as the Holcim Internal Control Framework, the effectiveness of which is monitored regularly.

Principle 5. Remuneration

The Company is committed to investing in and developing our most valuable asset, our people. The Company do this through effective recruitment, training and retention of a highly skilled and qualified workforce. Our core principle is to be the "employer of choice" in the extractives industry. The Company is devoted to supporting and developing our people in line with our business objectives.

The Company is also investing heavily in diversity and inclusion programs and events to promote a more balanced workforce – with a particular focus on attracting more women within the industry. Our people are remunerated competitively and in line with the markets the Company operate in. The Company is also committed to tackling the historic gender imbalance in the industry, and inherently the gender pay gap it creates. A Director is the sponsor of the Women's affinity network.

The Executive team and all employees have a remuneration package that is based on a number of principles and guidelines communicated by the Group. These aim at ensuring the compensation and benefits offered to employees is appropriate to the UK market as assessed against relevant benchmark data. It also requires the Company to take account of internal equity to ensure it is fair and does not lead to any discriminatory practices, thus complying with equal pay legislation. The Group also sets guidelines on annual pay reviews and incentive arrangements and has visibility of the rewards approved for senior management through these annual processes. The Company follows several Group Directives that contain these principles and is also required to complete internal controls relating to compensation and benefits (including pensions) that demonstrate ongoing compliance.

Corporate Governance (continued)

Principle 6. Stakeholder Relationships and engagement

The Bȯard regularly reviews and oversees a wide range of stakeholder information, including employee opinion and customer satisfaction data. Key issues stemming from stakeholder engagement are addressed by the Board and are considered in any decision making processes.

The Company is committed to living up to the responsibilities that come with being the global leader in building materials and solutions. The Directors regularly discuss the Company's impact on the environment and the sustainability of the Company's operations. The Company has developed a number of products in its 'Life' range which seek to help create a more sustainable future. Each of the products in the 'Life' range meets at least one of the six criteria set out by the Company to meet the demands of environmentally conscious individuals. Furthermore, the Company implements biodiversity management plans for all active extraction sites and works to protect, restore and enhance biodiversity habitats and species on and around our sites.

The Company actively contributes to the social and economic development of the communities in which it operates. The Board encourages community engagement through community liaison meetings, open days for the general public and by providing materials, resources and voluntary labour and ensures that community investment is making the best use of the Company's relevant business skills, products and experience. Feedback and insights obtained from interactions with members of the community are shared by the Company's management with the Directors.

The Company is an active partner and founding member of the Supply Chain Sustainability School, an organisation aimed at developing the sustainability and social responsibility agenda within our supply chain.

All members of the Board are actively involved in stakeholder engagement in their roles to promote the Company's strategy and vision. Regular site visits are organised in order to reinforce our 'zero harm' ambitions and also to take the opportunity to update our employees on what is happening in the business.

Through regular Group financial reviews as well as external audit efforts, the Board ensures that stakeholders are presented with a fair, balanced and understandable assessment of the Company's position and prospects.

Streamlined Energy And Carbon Reporting (SECR) Disclosure
The details of SECR disclosures are provided in the Strategic report page 6 and 7.

Directors' qualifying third party indemnity provisions
The Company has indemnified the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' report.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor
Mazars LLP has been reappointed as a statutory auditor of the Company during the year.

Directors' Responsibilities Statement
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "Reduced Disclosure Framework". Under the Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

The financial statements are required by law to give a true and fair view of the state of the affairs of the Company and of the profit and loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved and authorised by the Board and signed on its behalf by:

DocuSigned by:
Garrath Lyons
C6370A0E032544B...
G M Lyons
Director
28 April 2023

Aggregate Industries UK Limited
Independent auditor's report
to the members of Aggregate Industries UK Limited

Opinion

We have audited the financial statements of Aggregate Industries UK Limited (the 'company') for the year ended 31 December 2022 which comprise statement of profit and loss and other comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the Directors' method to assess the Company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment, which incorporated severe but plausible scenarios;
- Reviewing the Value in Use model and midterm plan to evaluate the future projections of the entity;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern, which include relying on the availability of cash pooling arrangements within the Group and non-repayment of long-term debt for at least 12 months from the date of signing these financial statements.
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut off assertion for contracting revenue), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of our report

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

DocuSigned by:
Louis Burns
7DEDCAC7951F4B9...

Louis Burns (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Two Chamberlain Square
Birmingham, B3 3AX
Date: 28 April 2023

Aggregate Industries UK Limited
Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	3	**1,447,663**	1,301,826
Cost of sales		**(815,406)**	(765,167)
Gross profit		**632,257**	536,659
Selling and distribution costs		**(380,669)**	(349,411)
Administrative expenses		**(114,255)**	(77,610)
Other operating income	4	**1,253**	3,848
Operating profit	4	**138,586**	113,486
Impairment of carrying value of investments	11	**(250,773)**	(32,233)
Gain on disposal of Investment	11	**25,107**	-
Interest payable and similar cost	6	**(38,951)**	(33,557)
Interest receivable and income from investments	7	**254,946**	34,576
Profit before taxation		**128,915**	82,272
Tax charge for the year	8	**(16,627)**	1,790
Profit for the financial year		**112,288**	84,062
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Cash flow hedges			
- Change in fair value		**(71,371)**	33,917
- Recycled through statement of profit & loss		**59,095**	8,627
- Deferred tax movement	8	**3,327**	(11,768)
		(8,949)	30,776
Items that will not be reclassified to profit or loss:			
Defined benefit pension plans			
- Remeasurement (loss)/gains	23	**(17,962)**	22,322
- Deferred tax movement	8	**4,489**	(5,581)
		(13,473)	16,741
Other comprehensive (loss) / income for the year		**(22,422)**	47,517
Total comprehensive income for the year		**89,866**	131,579

The results are from continuing operations.

The Notes on pages 18 onward form an integral part of these financial statements.

Aggregate Industries UK Limited
Company Registration No. 00245717
Balance Sheet
as at 31 December 2022

	Note	2022 £'000	2021 £'000
Non current assets			
Intangible assets	9	**247,203**	238,493
Tangible fixed assets	10	**818,321**	799,015
Right of use assets	25	**109,549**	107,160
Pension assets	23	**14,646**	31,963
Investments	11	**62,351**	317,784
Long term financial assets	18	**10,819**	14,691
		1,262,889	1,509,106
Current assets			
Stocks	12	**118,124**	97,140
Debtors (including £80,170k (2021: £90,293k) due after more than one year)	13	**415,441**	369,472
Cash and cash equivalents	14	**18,504**	19,345
		552,069	485,957
Total assets		**1,814,958**	1,995,063
Creditors: amounts falling due within one year	15	**492,663**	417,124
Provisions for liabilities	19b	**9,760**	10,035
		502,423	427,159
Net current assets		**49,646**	58,798
Total assets less current liabilities		**1,312,535**	1,567,904
Creditors: amounts falling due after more than one year	16	**646,948**	953,694
Provisions for liabilities			
Deferred tax liability	19a	**136,518**	139,746
Other liabilities	19b	**34,968**	35,497
		171,486	175,243
Net assets		**494,101**	438,967
Capital and reserves			
Called up share capital	20	**100**	100
Share premium	21	**32,791**	32,791
Cash flow hedging reserve	21	**23,889**	31,966
Retained earnings	21	**437,105**	368,111
Other reserve	21	**216**	5,999
Shareholders' funds		**494,101**	438,967

The Notes on pages 18 onward form an integral part of these financial statements.

The financial statements were approved by the board on 28 April 2023 and were signed on its behalf by:

DocuSigned by:
Garrath Lyons
C6370A0E032544B...
G M Lyons
Director
28 April 2023

Aggregate Industries UK Limited
Statement of Changes in Equity
for the year ended 31 December 2022

		Attributable to the equity shareholders					
	Note	Called up share capital £'000	Share premium £'000	Cash flow hedging reserve £'000	Retained earnings £'000	Other reserve £'000	Total Equity £'000
As at 1 January 2021		100	32,791	1,190	335,040	6,548	375,669
Profit for the financial year		-	-	-	84,062	-	84,062
Other comprehensive income (expense) net of tax		-	-	30,776	16,741	-	47,517
Total comprehensive income (expense) for the year		-	-	**30,776**	**100,803**	-	**131,579**
Equity dividends paid	22	-	-	-	(23,732)	-	(23,732)
Interest imputation on the LT loans		-	-	-	-	(549)	(549)
Intercompany debt waiver		-	-	-	(44,000)	-	(44,000)
As at 31 December 2021		**100**	**32,791**	**31,966**	**368,111**	**5,999**	**438,967**
Profit for the financial year		-	-	-	112,288	-	112,288
Other comprehensive income (expense) income net of tax		-	-	(8,949)	(13,473)	-	(22,422)
Total comprehensive income for the		-	-	**(8,949)**	**98,815**	-	**89,866**
Equity dividends paid	22	-	-	-	(67,263)	-	(67,263)
Intercompany debt waiver		-	-	-	38,314	(5,783)	32,531
Reclassification				872	(872)		-
As at 31 December 2022		**100**	**32,791**	**23,889**	**437,105**	**216**	**494,101**

The Notes on pages 18 onward form an integral part of these financial statements.

1 Corporate information

The financial statements of the Company for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 28 April 2023. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England & Wales. The address of the Company's registered office is shown on the Company Information on page 1. The nature of the Company's operations and principal activities are set out in the Strategic Report on page 2.

2.1 Basis of preparation

In accordance with section 401 of the Companies Act 2006 consolidated accounts have not been prepared as the Company is itself included in the consolidated accounts of Holcim Ltd incorporated in Switzerland for the year ended 31 December 2022. Accordingly, these accounts present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements have been prepared on the historic cost basis, except for the revaluation of financial instruments that are measured at fair value at the end of the reporting period, as explained in the accounting policies below. Goodwill is initially measured at cost being the excess of the cost of the acquisition over the Company's share of the assets and liabilities recognised on acquisition. Subsequently in accordance with IFRS 3 'Business Combinations' and IAS 36 'Impairment of Assets', goodwill is not amortised but is reviewed annually for impairment or whenever there is an indicator of impairment.

This is a departure from the requirement of paragraph 22 of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the Regulations') that goodwill is carried at cost reduced by provisions for amortisation calculated to write off the goodwill systematically over a period chosen by the Directors, which does not exceed its useful economic life. As the Company's treatment of goodwill conflicts with the Regulations, the Directors have invoked a true and fair override in order to overcome the prohibition on non-amortisation of goodwill in the Companies Act 2006. Assuming a useful life of 20 years, the profit for the year would have been £11,139k lower had goodwill been amortised in the year.

The Company's financial statements are presented in sterling, which is also the Company's functional currency and all values are rounded to the nearest thousand pounds.

The Group was notified of and did not object to the use of the UK-adopted IFRS disclosure exemptions.
The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of IAS 7 Statement of Cash Flows;
(c) the requirement in the following paragraphs of IAS 1 Presentation of Financial Statements: paragraph 38 to present additional comparative information in respect of property, plant and equipment, intangible assets and investment properties, paragraph 10 (d) (statement of cash flows), paragraph 16 (statement of compliance with all IFRS), paragraph 111 (cash flow statement information) and paragraphs 134-136 (capital management disclosures).
(d) the requirements of IAS 24 Related Party Disclosure to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
(e) the requirements in paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
(f) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
(g) the requirements of paragraphs 134 to 136 of IAS I Presentation of Financial Statements to present capital disclosures in respect of its objectives, policies and processes for managing capital.
(h) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers..
(i) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
The requirements of paragraph 58 of IFRS 16.

Going Concern

The Directors consider that the Company has sufficient resources to meet its obligations as and when they fall due in the 12 months from the date of approving these financial statements.

In concluding this, the Directors have considered the Company's liquidity position, any risks to the cash flows and funding, and the Company's outlook. Sales revenue has significantly increased during the financial year ended 31 December 2022 and the Company has acquired a new revenue stream to supplement the existing sales revenue. In addition, the Directors have taken steps to implement new supply chain initiatives to reduce operating costs. The Directors are confident that these measures will optimise the Company's cash flow and liquidity position to strengthen its financial

The Directors considered financial forecasts, including downside forecast scenarios for the next 12 months from the date of the approval of these financial statements. The forecasts support the preparation of the financial statements on a going concern basis, based on the following assumptions:

- consistent revenue growth from the Company's activities during the upcoming financial year
- the Company having ongoing support of its bank and access to undrawn facilities
- the Company maintaining access to the cash pooling arrangements provided by the Group
- the Company not repaying long term debt provided by the Group until the due dates in 2027 and 2028
- no major changes to the Company's operational framework, including to major suppliers, customer segments or the Company's workforce, are expected for the forecast period.

2.2 Summary of significant accounting policies

The Company has considered the following new amendments, accounting standards and interpretation applicable from Jan 22 and none are considered to have a material impact on the financial statements:

- IFRS 3 - Business Combinations - References to the Conceptual Framework
- IAS 16 - Property and and Equipment: Proceeds before intended use
- IAS 37 - Provisions, contingent liabilities and contingent assets: Onerous Contracts - Cost of Fulfilling a Contract
- IFRS 1, IFRS 9, IFRS 16 , IAS 41 - Annual Improvements 2018-2020

a Investments

Investments are stated at cost less provision for impairment which is assessed annually.

b Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at prevailing currency rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are transacted using the exchange rates as at the dates of the initial transactions.

c Turnover and Other income

Per IFRS 15 – Revenue from Contracts with Customers, revenue is recognised when the performance obligation is satisfied by transferring a promised good or service to a customer. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Revenue from sale of goods is recognised when delivery has taken place and control of the goods has been transferred to the customer and can be reliably measured. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer.

The Company recognises contract liabilities, which is a company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers.

A trade receivable is recognised when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

Contract assets, which is a Company's right to consideration that is conditional on something other than the passage of time, relate mainly to construction and paving activities and remain immaterial on a Company level at this stage.

Contracting

The amount of revenue recognised is the amount allocated to the satisfied performance obligation, which is transfer of goods and services to the customers for the construction related activities, under the terms of the specific contract. Each contract is recognised as a single performance obligation and contracts qualify for recognition over time, based on output.

Based upon a type of contract undertaken, the methods for measuring progress towards satisfied performance include output methods based on surveys of work performed (material laid or tonnes), milestones reached etc. and input methods based on costs incurred for the contract.

Contract costs are recognised as expenses in the period in which they are incurred. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer and can be reliably estimated.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as allowance for foreseeable loss.

Timing of the payments for the performance obligation would be in line with the standard payment terms or according to the payment terms agreed in the contract.

Receivable and payables related to the contracting business are included within trade debtors and trade creditors within respective notes.

For the standard contract the transaction price is determined in line with sale of goods, a price assigned to the material depending on market, timing, quantity etc and for cost recoverable based contracts, actual costs incurred plus a fee for items allowed under the terms of the contract.

Interest income

Interest income is recognised as interest accrues using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Dividends

Dividends are recognised when the Company's right to receive the payment is established.

Rental income

Rental income arising from operating leases on properties is accounted for on a straight line basis over the lease terms.

2.2 Summary of significant accounting policies (continued)

d Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

e Pensions and other post-employment benefits

The Company operates defined contribution pension plans and also defined benefit pension plans for some of its employees which was closed in 2019.

Under defined contribution pension plans, the Company pays fixed contributions on a current basis into a separate (third party) recognised pension fund and will have no obligation to pay further contributions. Such fixed contributions are recognised in the Statement of Profit & Loss in the period in which they become payable.

Under defined benefit pension plans, the Company is obliged to pay certain benefits upon retirement. The obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on a straight line basis over the average period until the amended benefits become vested.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets and the interest cost is recognised in the Statement of Profit & Loss within interest income and interest costs respectively.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information and in the case of quoted securities it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

2.2 Summary of significant accounting policies (continued)

f Financial instruments

(i) Financial assets

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:
- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss.

Derivative financial instruments and hedge accounting

The Company mainly uses derivative financial instruments in order to reduce its exposure to foreign currency exchange rates and changes in commodities prices. Derivatives are regarded as held for hedging unless they do not meet the strict hedging criteria stipulated under IFRS 9 Financial Instruments, in which case they will be classified as held for trading. Financial derivatives expected to be settled within 12 months after the end of the reporting period are classified as current assets or current liabilities. Movements in the cash flow hedging reserve are shown in the statement of changes in equity.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss is dependent on the nature of the item being hedged. On the date a derivative contract is entered into, the Company designates certain derivatives as either (a) a hedge of a particular risk associated with a recognised asset or liability, such as future interest payments on floating rate debt (cash flow hedge) or (b) a hedge of a foreign currency risk of a commitment (cash flow hedge).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income (expenses).
The Company documents at the inception of hedging transactions the economic relationship between hedging instruments and hedged items, including whether the hedging instrument is expected to offset changes in cash flows of hedged items, and its risk management objective and strategy.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.
The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.
Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.
The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Impairment of financial assets

The Company revised its impairment methodology under IFRS 9 Financial Instruments, defining 2 types of financial assets subject to IFRS 9's expected credit loss model. For trade receivables, the Company applies the simplified approach providing for expected credit losses using the lifetime expected loss provision for trade receivables. For loans and receivables, the credit provision is determined based on the credit risk standing at each reporting date. There was no material impact relating to provisions on loan receivables on conversion to IFRS 9.
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

2.2 Summary of significant accounting policies (continued)

f Financial instruments (continued)

(i) Financial assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument, which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity. Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL or FVTOCI.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derivative instruments

See Note 1 section 2.2 (f)(i).

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

g Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of tangible fixed assets are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Interest costs on borrowings to finance construction projects, which necessarily take a substantial period of time to get ready for their intended use, are capitalized during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

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

Short leasehold land and buildings	over the life of the lease
Freehold buildings	20 - 25 years
Plant, equipment and vehicles	3 - 20 years

Freehold land and assets under the course of construction are not depreciated.

h Mineral reserves

Mineral reserves are valued at cost, net of accumulated depreciation. Depreciation is charged over their estimated remaining lives on the basis of tonnage extracted.

Costs incurred to gain access to mineral reserves (typically stripping costs) are capitalized and depreciated over the life of the quarry, which is based on the estimated tons of raw material to be extracted from the reserves.

2.2 Summary of significant accounting policies *(continued)*

i Leases

IFRS 16 Leases requires lessees to recognise a lease liability for future lease payments and a corresponding right-of-use asset for all leases including operating leases. In the Statement of Profit & Loss, the expenses comprise a depreciation charge reflecting the consumption of economic benefits and an interest expense reflecting the unwinding of the lease liability which is accounted for as a finance cost.

The right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid and accrued leases as well as provision for onerous contracts relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Company does not capitalise as right-of-use asset and record as lease liability, the payments for short-term leases, that is, leases with a lease term assessed to be 12 months or less from the commencement date, and for leases of low value assets, that is, assets which fall below the capitalisation threshold for property, plant and equipment as the impact is immaterial. These payments are included in operating profit on a cost incurred basis.

The lease liability is measured at commencement date at the present value of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, with the lessee's respective incremental borrowing rate. Future lease payments include in-substance fixed payments, variable lease payments depending on an index or rate and, if assessed as reasonably certain to be exercised, payments for purchase options, termination options and extension options. The lease term comprises the non-cancellable lease term together with the period covered by extension options, if assessed as reasonably certain to be exercised, and termination options, if assessed as reasonably certain not to be exercised. Non-lease components in contracts are separated from lease components and accordingly accounted for in operating profit on a cost incurred basis.

The right-of-use asset is recognised at the commencement date at cost, which includes the amount of the lease liability recognised, any lease payments made at or before the commencement date of the lease, initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the asset to the condition agreed with the lessor. Unless the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and lease term. Right-of-use assets are subject to the impairment requirements under IAS 36 Impairments of Assets.

In the event that the tax base of a right of use asset is not the same as its carrying amount for IFRS purposes on initial recognition of a lease contract, the Company will recognise the deferred tax impact arising on the temporary difference between the carrying amount of the right-of-use asset and its tax base. The same treatment as above will also be applied to the initial recognition of the lease liability.

j Goodwill

Goodwill is not amortised but tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or Group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than its carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

k Intangible assets

Expenditure on acquired customer relationships, supply agreement, trademarks, mining rights, software, and other intangible assets are capitalized and amortized using the straightline method over their estimated useful lives, but not exceeding 25 years, except for mining rights which are depleted on a volume basis.

Software	1 -12 years
Dredging license	21 years

l Stock

Stock is valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:
Raw Materials - purchase cost on a first in, first out basis;
Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m Debtors

Trade debtors, which generally have 30 day terms following the month of invoice, are recognised at original invoiced value. The carrying amount of accounts receivable is reduced through an allowance account and IFRS 9's expected credit loss model. Impaired accounts receivable are derecognised when they are assessed as uncollectable.

2.2 Summary of significant accounting policies *(continued)*

n Provisions

General provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest payable.

Restoration costs

Restoration costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied to pre-extraction costs are added to or deducted from the cost of the asset. Changes in the estimated future costs or in the discount rate of post extraction costs are recognised in the statement of profit and loss.

o Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

p Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised when its future recoverability can reasonably be regarded as assured. Any expenditure capitalised is amortised in line with the expected future income from the related project.

q Impairment of non financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. further explanation provided in note 2.2 j and note 9. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

r Government Grants

According to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.

s Hive up

All the assets and liabilities of the subsidiary company (seller) are hived up in the Company at book value with the consideration given in the form of an intercompany payable / receivable.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

No significant judgements have been made in the preparation of these financial statements.

In the process of applying the Company's accounting policies, management has made the following estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

2.3 Significant accounting judgements, estimates and assumptions
Critical estimates and assumptions

Impairment of non-financial assets
An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount are further explained in note 9.

Pension benefits
In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

Further details about the assumptions are given in note 23.

Provision for restoration
Restoration costs are provided at the present value of expected costs to settle the obligations using estimated cash flows. The estimated future costs of restoration and the discount rate are reviewed annually. Further details are given in note 20(b) and in 2.2 (n).

3 Turnover

Turnover comprises the invoice value of goods and services supplied by the Company within Europe, exclusive of VAT. Turnover in the year includes

	2022 £'000	2021 £'000
Sale of Goods	**1,235,996**	1,105,870
Contracing turnover	**211,667**	195,956
Total	**1,447,663**	1,301,826

4 Operating profit for the year is stated after charging/(crediting):

	2022 £'000	2021 £'000
Included within cost of sales		
Cost of stocks recognised as an expense	**417,123**	390,523
Depreciation of tangible fixed assets	**57,134**	58,040
Depreciation of Right of Use Assets (ROUA)	**14,078**	11,954
Amortisation of intangible fixed assets	**2,560**	1,926
Impairment of tangible fixed assets	**-**	2,974
Research and development expenditure	**725**	558
Included within administrative expenses		
Auditor's remuneration		
Audit of the financial statements	**295**	230
Non audit services	**-**	-
Other Audit costs and audit cost for the subsidiaries	**15**	41
Short term rentals:		
Plant and machinery	**27,613**	28,451
Land and buildings	**2,972**	3,327
Exchange (gains) / losses	**(416)**	835
Other operating income		
Gain on disposal of fixed assets	**92**	2,599
Gain (loss) on reassessment and modification of Leases	**47**	31
Rental income	**1,114**	1,218
	1,253	3,848

The impairment on investment and gain on disposal of the investment is shown below operating profit for a better reflection of the financial statements £250,773k (2021: £32,233k).

5 Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year was as follows:

	2022 Number	2021 Number
Production and Distribution	2,254	2,185
Administration and support	1,068	1,010
Total	**3,322**	**3,195**

The aggregate payroll costs of these persons were as follows:	2022 £'000	2021 £'000
Wages and salaries	**165,162**	134,421
Social security costs	**17,709**	15,225
Other pension costs	**8,358**	8,038
	191,229	157,684

The aggregate emoluments of the Directors of the Company were:	2022 £'000	2021 £'000
Directors' emoluments	**2,248**	2,965
Company contributions to defined benefit schemes	**-**	-
Company contributions to money purchase pension schemes	**4**	13
	2,252	2,978

No Director was a member of a defined benefit pension scheme (2021: None).

2 Directors were members of a money purchase pension scheme (2021: 2).

The emoluments of the highest paid Director were £1,055,069 (2021: £1,012,796). Contributions paid to money purchase schemes in respect of the highest paid Director was £nil (2021: £nil).

The Company regards the statutory Directors as being the key management personnel of the business.

6 Interest payable and similar cost

	2022 £'000	2021 £'000
Group interest payable	**27,021**	21,774
Unwinding of discount on long term provision	**194**	1,187
Finance charges payable on lease liabilities	**4,240**	3,983
Net interest payable on defined benefit obligation	**-**	1,243
Bank charges and other interest payable	**7,496**	5,370
	38,951	33,557

Interest cost on Defined Benefit obligation is disclosed net of interest income on plan assets.

7 Interest receivable and income from investments

	2022 £'000	2021 £'000
Other Interest receivable	**163**	31
Net interest income on defined benefit pension asset	**519**	-
Inter group interest receivable	**1,987**	3,260
Dividends received from JV	**250**	31,285
Dividends received from wholly owned subsidiaries	**252,027**	-
	254,946	34,576

During the year, the Company simplified the intercompany balances and investments where the net assets of wholly owned subsidiaries of Foster Yeoman Limited, Camas UK Limited, John Fyfe Limited, Douglas Concrete Holding Limited, Maxi Readymix Concrete Limited, Stalybridge Readymix Holdings Limited and Hartigan Trading Limited worth £252,027k, were distributed to the Company (Note 11). This is offset with the investment impairment of £250,773k and the net impact in the profit and loss account is £1,254k.

Interest income on plan assets is disclosed net of interest cost on defined benefit obligation .

8 Taxation

	2022 £'000	2021 £'000
UK corporation tax		
Current tax	13,046	(3,788)
Adjustments in respect of prior years	(635)	(49,469)
	12,411	(53,257)
Deferred tax note		
Origination and reversal of timing differences	236	29,302
Adjustments in respect of prior years	3,980	(178)
Impact of deferred tax rate change	-	22,343
	4,216	51,467
Tax charge on profit recorded in the statement of profit and loss	16,627	(1,790)
Deferred tax on actuarial gains/(loss)	(4,489)	5,581
Deferred tax on cash flow hedge fair value movements	(3,327)	11,768
Deferred tax (credit)/charge included in Other Comprehensive Income/(Expense)	(7,816)	17,349

Factors affecting the tax charge for the current year:

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

Total tax reconciliation	2022 £'000	2021 £'000
Profit before tax	128,915	82,272
Current tax at 19% (2021: 19%)	24,494	15,632
Effects of		
Expenses not allowable for tax purposes	48,301	6,524
Income not included for tax purposes	(53,194)	(6,281)
Difference between CT and DT rate	57	7,032
Impact of deferred tax rate change	-	22,343
Utilisation of previously unrecognised tax losses	(6,592)	-
Adjustments in respect of prior periods	3,345	(49,648)
Tax effect of disposal of capital assets	216	2,608
Total tax charge	16,627	(1,790)

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date.

The Finance Act 2021, substantively enacted 10 June 2021, stated that the standard rate of Corporation Tax in the UK will change from 19% to 25% with effect from 1 April 2023. Accordingly, deferred tax balances as at 31 December 2022 are calculated at the rate of 25% tax rate (prior year 25%).

9 Intangible assets

	Dredging license £'000	Other Intangibles £'000	Goodwill £'000	Total £'000
Cost				
At 1 January 2022	31,778	18,286	222,770	272,834
Additions	-	-	-	-
Transfer (*)	-	-	11,273	11,273
Disposals	-	(1,050)	-	(1,050)
At 31 December 2022	**31,778**	**17,236**	**234,043**	**283,057**
Amortisation				
At 1 January 2022	3,856	9,031	21,454	34,341
Charge for the year	1,222	1,338	-	2,560
Disposals	-	(1,047)	-	(1,047)
At 31 December 2022	**5,078**	**9,322**	**21,454**	**35,854**
Net book value				
At 31 December 2022	**26,700**	**7,914**	**212,589**	**247,203**
At 31 December 2021	27,922	9,255	201,316	238,493

(*) Transfers during the year of £11,273k represents assets and liabilities of Stalybridge Readymix Holdings Limited (£4,113k) and Northumbrian Roads Limited (£7,160k) being hived up into the Company. This has resulted in the Investment being transferred to Goodwill (note 11).

Other Intangibles mainly represent the cost of IT softwares.

In the opinion of the Directors the carrying value of the remaining goodwill is not more than the recoverable amount hence there is no impairment recognised. Management considers the CGU to be the legal entity as this is the basis on which business resources are managed and how cash flows are monitored. The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management for four years, extrapolated by 2% beyond 4 years.

The discount rate applied to the post-tax cash flow projections is the Company's post-tax cost of capital of 7.13% (2021: 6.69%) and cash flows beyond the four years period are extrapolated using a 2% (2021: 2.00%) growth rate which approximates to long term UK economic growth. The WACC used for the impairment test is a post-tax discount rate and is applied to post-tax cash flows. There is no material difference in the outcome of the impairment test using the discount rate applied when compared to using a pre-tax discount rate for pre-tax cash flows.

Other key assumptions in the forecasts are internal pricing decisions and market volume projections sourced from published data from the Mineral Products Association. There is no reasonably possible change in any of the key assumptions that would cause the carrying value of the goodwill to exceed recoverable amount.

10 Tangible fixed assets

	Mineral reserves £'000	Land and buildings £'000	Plant, equipment and vehicles £'000	Total £'000
Cost				
At 1 January 2022	799,264	414,963	500,802	1,715,029
Additions	14,324	22,647	35,841	72,812
Hive up	-	5,670	5,684	11,354
Disposals	(8,772)	(5,374)	(17,306)	(31,452)
Reclassifications	2,050	(2,050)	-	-
At 31 December 2022	**806,866**	**435,856**	**525,021**	**1,767,743**
Depreciation				
At 1 January 2022	363,937	215,309	336,768	916,014
Charge for the year	22,494	13,164	21,476	57,134
Hive up	-	2,478	3,708	6,186
Disposals	(8,259)	(5,222)	(16,431)	(29,912)
Reclassifications	1,271	(1,272)	1	-
At 31 December 2022	**379,443**	**224,457**	**345,522**	**949,422**
Net book value				
At 31 December 2022	**427,423**	**211,399**	**179,499**	**818,321**
At 31 December 2021	435,327	199,654	164,034	799,015

10 Tangible fixed assets (continued)

Included within fixed assets is £33,881k (2021: £35,104k) for freehold land that is not depreciated and £48,348k (2021: £52,303k) for assets under construction. Fixed assets transferred from asset under construction to other catagories during the year is £72,394k (2021: £51,127k)

Commitments for capital expenditure are as follows:	**2022** **£'000**	2021 £'000
Contracted for but not provided	-	6,990
	-	6,990

11 Investments

	Subsidiary undertakings	**Joint ventures & Associates**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 1 January 2022	395,587	6,819	153	402,559
Additions	6,613	-	-	6,613
Transfer	(11,273)	-	-	(11,273)
At 31 December 2022	**390,927**	**6,819**	**153**	**397,899**
Provision for impairment				
At 1 January 2022	82,663	1,959	153	84,775
Charge for the year	250,773	-	-	250,773
At 31 December 2022	**333,436**	**1,959**	**153**	**335,548**
Net book value				
At 31 December 2022	**57,491**	**4,860**	**-**	**62,351**
At 31 December 2021	312,924	4,860	-	317,784

During the year, the Company simplified the intercompany balances and investments where the net assets of wholly owned subsidiaries of Foster Yeoman Limited, Camas UK Limited, John Fyfe Limited, Douglas Concrete Holding Limited, Maxi Readymix Concrete Limited, Stalybridge Readymix Holdings Limited and Hartigan Trading Limited worth £252,027k, were distributed to the Company (note 7). This resulted in an impairment of investments worth £250,773k (2021: £32,233k) and the net impact in the Profit and loss account of £1,254k.

The impairment on investment and gain on disposal of the investment is shown below operating profit for a better reflection of the financial statements £250,773k (2021: £32,233k).

Furthermore, a 100% interest in Wiltshire Concrete (Holdings) Limited and its subsidiaries was acquired worth £7,160k. The wholly owned subsidiary, Lafarge Ireland Limited, was divested and realised a gain on disposal of £25,107k. The cost of investment was £6.

Transfers during the year of £11,273k represents assets and liabilities of Stalybridge Readymix Holdings Limited (£4,113k) and Northumbrian Roads Limited (£7,160k) being hived up into the Company. This resulted in the Investment being transferred to Goodwill (note 9).

The Directors have reviewed the net assets of the other non operating subsidiaries and the value-in-use, considering three year forecasts, of other operating subsidiaries and are satisfied that there is no further impairment. In assessing value-in-use, the Directors does not expect any major changes to the key assumptions that would cause the carrying value of the investment to exceed recoverable amount.

11 Investments (continued)

Investments in subsidiary undertakings

Name of company	Ordinary Share Holding	Nature of business	Principal place of business	Registered office
Aggregate Industries (England) Limited	100%	Non-trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Aggregate Industries South West Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
AI Properties Limited	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Camas UK Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Charcon Holdings Limited	100%	Holding	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Charcon Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
CNL Minerals Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Cruden Bay Brick & Tile company Limited	100%	Dormant	U.K.	Duntilland Quarry, Salsburgh,ML7 4NZ
Douglas Concrete Holdings Limited	100%	Non-trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Douglas Concrete Limited	100%	Non-trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
EJS Landscape Supplies Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Evered Bardon Quarry Products Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman (Dulcote) Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman Jetties Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Foster Yeoman Limited	100%	Holding	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Fyfe Contractors Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Geocycle UK Limited	100%	Dormant	U.K.	Duntilland Quarry, Salsburgh,ML7 4NZ
Hartigan Trading Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Ivonbrook Quarries Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
John Fyfe Limited	100%	Non-trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
K.R.M. Concrete Limited	100%	Dormant	U.K.	Duntilland Quarry, Salsburgh, ML7 4NZ
Kendall Bros. (Portsmouth) Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Lafarge Cauldon Limited	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
London Concrete Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Lytag Holdings Limited	100%	Holding	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Lytag Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Maxi Readymix Concrete Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Mid Essex (Asphalt) Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Morvern Shipping Agency Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ

11 Investments (continued)

Investments in subsidiary undertakings (continued)

Name of company	Ordinary Share Holding	Nature of business	Principal place of business	Registered office
Northumbrian Roads Limited	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Ogden Roadstone Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Paragon Materials Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Redditch Concrete Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
St. Machar Development Company Limited	100%	Dormant	U.K.	Duntilland Quarry, Salsburgh, ML7 4NZ
Stalybridge Readymix Holdings Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Stalybridge Readymix Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
W.J.Ladd (Concrete Products) Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Wiltshire Concrete (Holdings) Limited	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Wiltshire Heavy Building Materials (Group) Limit	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Wiltshire Heavy Building Materials Limited	100%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Witherley Services Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Woodhall Spa Sand & Gravel Limited	100%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Yeoman (Morvern) Limited	100%	Dormant	U.K.	Glensanda Quarry, Morvern, By Oban, Argyll,
Yeoman France S.A.R.L.	100%	In liquidation	France	23, rue du Clos d'Orleans, 94120 Fontenay Sous

Lafarge Ireland Limited was sold during the year. Furthermore, EJS Concrete Products Limited, Evered Concrete Products Limited, Kendall Marine Limited, Simply Paving Ltd were dissolved.

Investments in Joint ventures and Associates

AB Shipping Holding BV*	50%	Trading	Netherlands	Amerikahavenweg 2, 1045 AC Amsterdam, Netherlands
AB Shipping Services Limited **	50%	Trading	U.K.	55 Baker Street, London, W1U 7UE
Accumix Concrete Limited **	20%	Trading	U.K.	The Yard, Oakdale Trading Estate, Ham Lane, Kingswinford, DY6 7JH
Accumix Holdings Limited	20%	Holding	U.K.	The Yard, Oakdale Trading Estate, Ham Lane, Kingswinford, DY6 7JH
Caird Evered Holdings Limited*	50%	Holding	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Caird Evered Limited**	50%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Callow Readymix Limited*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Cambridgeshire Aggregates Limited*	50%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Cotswold Aggregates Limited*	50%	Dormant	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Mendip Rail Limited*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
North Kent Roadstone Limited*	50%	Trading	U.K.	Albion House, Springfield Rd, RH12 2RW
RFS Works Limited*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
SeaRock Ltd*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Tendley Quarries Limited*	50%	Trading	U.K.	Brigham, Cockermouth, CA13 0SE
The Mendip Basalt Co. Ltd*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Western Bridge (Shipping) Limited**	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Wight Building Materials Ltd*	50%	Trading	U.K.	Bardon Hall, Copt Oak Road, LE67 9PJ
Yeoman Benk Ltd**	50%	Trading	U.K.	55 Baker Street, London, W1U 7UE
Yeoman Bridge Ltd**	50%	Trading	U.K.	55 Baker Street, London, W1U 7UE

* *Joint Ventures Companies*
** Wholly owned subsidiary of JV company

During the year the Company's holding in Alan C Bennett & Sons Limited was sold.

12 Stocks

	2022 £'000	2021 £'000
Raw materials	**27,180**	23,844
Unbilled services	**730**	1,128
Finished goods	**90,214**	72,168
	118,124	97,140

The directors consider that the replacement value of stock is not materially different to their carrying value.

13 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year		
Trade debtors	**166,819**	152,369
Amounts owed by group undertakings	**17,913**	30,321
Amounts owed by fellow subsidiaries	**2,766**	3,073
Amounts owed by joint ventures and associates	**2,469**	2,668
Amounts owed by parent undertaking	**65,309**	3,507
Income taxes	**19,510**	33,231
Derivatives (note 18)	**31,865**	29,964
Other debtors	**6,585**	9,034
Prepayments	**22,035**	15,012
Total current	**335,271**	279,179
Amounts falling due after more than one year		
Trade debtors	**1,923**	4,558
Other debtors	**14**	-
Amounts due from group undertakings	**73,839**	80,008
Amounts due from fellow subsidiaries	**92**	90
Amounts due from joint ventures and associates	**4,302**	5,637
Total non-current	**80,170**	90,293
	415,441	369,472

Amounts falling due within one year are repayable within the usual trading terms.

Amounts falling due after more than one year from joint ventures and associates have various maturity dates and interest rates.

Trade debtors include contracting retentions of £6,448k at 31 December 2022 (2021: £9,100k)

Further details of derivatives are shown in note 18.

Amounts falling due after more than one year from group undertakings and from fellow subsidiaries are interest free and repayable after more than 12 months with notice from either party except interest bearing, unsecured loans listed below.

	Effective interest rate %	Maturity	2022 £'000	2021 £'000
Debtors falling due within less than one year				
Lafarge Ireland Limited	Fixed 2.50%	(*)	-	30,615
			-	30,615
Debtors falling due more than one year				
Lafarge Cauldon Limited	Fixed 2.50%	2028	**72,539**	72,539
			72,539	72,539
Total interest-bearing loans and borrowings			**72,539**	103,154

(*) The financial receivable has been settled in Jan 2022.

14 Cash at bank and in hand

	2022 £'000	2021 £'000
Cash at bank and in hand	**18,504**	19,345
	18,504	19,345

15 Creditors

	2022 £'000	2021 £'000
Obligations under leases	**10,654**	11,148
Trade creditors	**281,511**	223,810
Amounts due to parent undertakings	**5,673**	-
Amounts due to group undertakings	**61,902**	27,624
Amounts due to fellow subsidiaries	**2,919**	45,535
Amounts due to joint ventures and associates	**4,531**	4,768
Other taxes and social security	**37,493**	31,474
Short term derivative liability (note 18)	**5,357**	103
Accruals	**59,359**	53,403
Other creditors	**23,264**	19,259
	492,663	417,124

Amounts due to group undertakings are interest free and repayable on demand except for the amounts as disclosed in note 17.
Further details on derivatives are shown in note 18.

16 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Obligations under leases	**102,795**	101,001
Long term derivative liability (note 18)	**6,084**	-
Amounts due to fellow subsidiaries	**4,614**	34,790
Amounts due to joint ventures and associates	**45**	511
Amounts due to parent undertakings	**526,097**	589,760
Amounts due to group undertakings	**5,413**	227,632
Other Long term liabilities	**1,900**	-
	646,948	953,694

The terms for the amount due from related parties worth £526,100k (2021: £466,069k) are as disclosed in note 17. The remaining balance due to fellow subsidiaries and group undertakings have been accounted for at fair value when the loans were granted based on an imputed interest rate of 2.00% (2021: 2.00%) and are repayable after 12 months written notice from either party.

17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Effective interest rate %	Maturity	2022 £'000	2021 £'000
Creditors falling due after more than one year				
Included in amounts due to parent undertakings in note 16 above				
- Amounts due to Aggregate Industries Holdings Limited (*)	7.66% fixed	2027	-	21,222
- Amounts due to Aggregate Industries Holdings Limited (*)	7.66% fixed	2027	221,253	200,000
- Amounts due to Holcim Participations (UK) Limited	7.66% fixed	2027	244,847	244,847
- Amounts due to Holcim Limited	7.36% fixed	2027	50,000	-
- Amounts due to Holcim Limited	7.66% fixed	2027	10,000	-
			526,100	466,069
Total interest-bearing loans and borrowings			526,100	466,069

(*) These two loans have been restructured and merged in 2022.

Bank Facilities

As at 31 December 2022, the Company has £25m (2021: £25m) of uncommitted overdraft facilities at 31 December 2022, of which £nil is drawn down (2021: £nil). These are available to manage the working capital fluctuations of the business.

18 Derivative financial instruments

Derivative financial instruments are in place to hedge the risk of energy prices. The Company is subject to commodity risk with respect to price changes mainly in the oil refined products and natural gas. Under the Companies' risk management policy, the Company uses derivative instruments to hedge part of its exposure to these risks. The derivative financial instruments constitute cash flow hedges and are therefore carried at fair value. Derivative assets with maturities exceeding one year are included in long-term financial assets and derivative assets with maturities less than one year are included in debtors (note 13). Derivative liabilities with maturities exceeding one year are included in long-term derivative liabilities (note 16) and derivative liabilities with maturities less than one year are included as short term derivative liabilities (Note 15). Details of the financial instruments accounting policies are included in note 2.

Fair value measurements are those derived from valuation techniques using inputs for the asset or liability that are observable market data, either directly or indirectly. Such valuation techniques include the discounted cash flow method and option pricing models. For example, the fair value of forward foreign exchange contracts is determined using the forward exchange market at the end of the reporting period.
The reduction in the fair value of hedging asset is £13,309k (2021: £42,544 - increase) and realized through statement of income £59,095k (2021: £8,627k).
The maturity profile of the hedges are 2023-2024.

	Financial assets		**Financial liabilities**	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Cash flow hedges				
Commodities	**42,684**	44,655	**11,441**	103
Analysed as:				
Current	**31,865**	29,964	**5,357**	103
Non-Current	**10,819**	14,691	**6,084**	-
	42,684	44,655	**11,441**	103

	Fair value assets 2022 £'000	**Fair value liabilities 2022 £'000**	**Nominal amount 2022 £'000**	Fair value assets 2021 £'000	Fair value liabilities 2021 £'000	Nominal amount 2021 £'000
Cash flow hedges						
Commodities	**42,684**	**11,441**	123,413	44,655	103	95,116

19 Provisions for liabilities

a Deferred tax

	2022	2021
	£'000	£'000
At 1 January	139,746	70,792
Arising during the year	236	29,302
Adjustment in respect of prior years	3,980	(178)
Debited / credited to other comprehensive income	(7,816)	17,349
Transfer in	372	138
Impact of deferred tax rate change	-	22,343
At 31 December	136,518	139,746
Current	-	-
Non-Current	136,518	139,746
	136,518	139,746

Tax effect of timing differences because of:

	2022	2021
	£'000	£'000
Differences between accumulated depreciation and capital allowances	**137,221**	133,587
Defined benefit pension Schemes	**3,662**	7,991
Other timing differences	**(4,365)**	(1,832)
Provision as at 31 December	**136,518**	139,746

At 31 December 2022 there was no recognised deferred tax liability (2021: £nil) for taxes that could become payable on the unremitted earnings of certain subsidiaries, associates and joint ventures as dividend receipts from UK entities should be exempt from further UK tax, and for overseas entities, the Company can control the extent and timing of any distribution such that no material tax consequences are expected to occur.

19 Provisions for liabilities *(continued)*

b Other provisions

	Restoration & site remedial £'000	Other provisions £'000	Total £'000
At 1 January			
Current	9,356	679	10,035
Non-current	34,453	1,044	35,497
	43,809	1,723	45,532
Arising during the year	8,057	1,962	10,019
Utilised in the year	(2,101)	(1,210)	(3,311)
Reversal of unused amounts	(2,494)	(1,017)	(3,511)
Movement in discount rate	(4,001)	-	(4,001)
At 31 December	43,270	1,458	44,728
Analysed as:			
Current	9,073	687	9,760
Non-Current	34,197	771	34,968
	43,270	1,458	44,728

Restoration provisions have been established in respect of legal, contractual or constructive obligations. Amounts have been estimated based on the advice and opinions of suitably qualified and experienced specialists. These provisions are expected to be utilised over the life of the respective sites. Long term provisions are discounted to their present value based on long-term borrowing rates.

Other provisions include property, legal and restructuring provisions. The legal provisions are expected to be utilised within two to five years depending on the nature of the claims.

20 Share capital

	2022 £'000	2021 £'000
Authorised, issued, allotted, called up and fully paid		
100,300 Ordinary shares of £1 each	100	100
	100	100

There are no restrictions on the distribution of dividends and repayment of capital for these shares.

21 Reserves

Share capital and share premium accounts

Equity share capital comprises the net proceeds up to par value on issue of the Company's equity share capital, of 100,300 ordinary shares of £1 each. The excess proceeds above the par value are recognised within the share premium account.

Cash flow hedging reserve

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss.

Retained earnings

Retained earning records retained earnings and accumulated losses.

Other reserve

Other reserve represents the discounting of interest free non-current intercompany loans to reflect the loans at a fair value.

22 Dividends

The Company paid a dividend of £67,263k, £670.62 per share (2021: £23,732k, £236.61 per share) during the year.

23 Pension schemes

The Company operates two Defined Benefit Plans, which are the Ronez (2000) Pension Plan (Ronez) and the Aggregate Industries Pension Plan (AIPP), and also has a variety of Defined Contribution Schemes. The Defined Benefit Scheme arrangements are detailed below. The contributions by the Company to the Defined Contribution Schemes in the year were £8,313k (2021: £7,789k).

The plans are managed by board of Trustees. The Aggregate Industries Pension Plan is registered under UK tax law while the Ronez 2000 Pension Plan is located in the Channel Islands. Any funding deficits within these plans are funded by employer contributions, which are negotiated every three years based on plan valuations carried out by independent actuaries.

The Trustee Boards aim to ensure that they can meet their obligations to the beneficiaries of the plans, both in the short and long-terms. Subject to this primary objective, the Boards target to maximise the long-term investment return whilst appropriately minimizing risk and volatility.

In relation to risk management and asset allocation, where possible, defined benefit pension schemes have been closed and frozen and scheme liabilities are insured. Actions continue to take place to further reduce and eliminate those schemes and related risks. Specifically, actions focusing on deploying scheme appropriate asset allocation in order to mitigate volatility and optimise investment returns, simplify plans' liabilities and exposure.

Ronez (2000) Pension Plan

On 4 January 2017, the Company became the Principal Employer of the Ronez (2000) Pension Plan, following the sale of Ronez Limited by the Group. Ronez is a funded Channel Islands pension scheme providing benefits based on final pensionable pay. It is closed to new entrants and to future accrual of benefits. A full actuarial valuation was carried out at 31 December 2021 and updated to 31 December 2022 by a qualified independent actuary. Further details are set out on page 38.

Based on the 5 April 2021 funding valuation, the plan had a funding surplus and no deficit repayment contributions were required. The next funding valuation is due to be carried out during 2024.

Aggregate Industries Pension Plan

The Company participates in a defined benefit pension scheme, a funded UK wide pension scheme providing benefits based on final pensionable pay. A full actuarial valuation was carried out at 31 December 2021 and updated to 31 December 2022 by a qualified independent actuary. Further details are set out below.

Aggregate Industries Pension Plan was closed for new members, effective from 31 March 2019. As a result, from 1 April 2019 there were no active members left in the Plan and future accrual reduced to zero. The closure event has been reflected in the prior year as a curtailment gain.

For the Aggregate Industries Pension Plan, based on the 5 April 2021 funding valuation, a schedule of contributions was put in place with the aim of eliminating the funding deficit by 5 April 2027. The Company has the payment of scheduled contributions in 2025-2027 and the plan is in net asset position as at 31 December 2022.

Aggregate Industries Pension Plan

The principal assumptions used by the actuary were (in absolute terms):

		2022 (%p.a.)	2021 (%p.a.)
Future salary increases		N/A	N/A
General Annual Salary Increase (GASI)		N/A	N/A
Rate of increases to pensions in payment (RPI)		**3.30%**	3.30%
Discount rate		**4.90%**	2.00%
Retail Price Inflation (RPI)		**3.30%**	2.80%
Rate of increases to pensions in deferment linked to (RPI)		**3.30%**	3.30%
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	**21**	22
	Females	**24**	24
Retiring in the future lifetime	Males	**22**	23
	Females	**25**	25

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered.

The assumptions used in determining the overall expected return of the assets of the Plan have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate. The fair value of the Plan's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Plan's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

23 Pension schemes (continued)

	Fair value at 31 Dec 2022 £'000	Fair value at 31 Dec 2021 £'000
Equities	**74,100**	125,100
Property	**40,500**	17,100
Structured Debt	**105,200**	189,400
Insured Annuities	**186,000**	251,000
Cash	**28,700**	79,500
Others	**25,600**	42,900
Total fair value	**460,100**	705,000

None of the assets of the Plan are invested in the Company's own financial instruments and none of the assets are properties or other assets used by the Company. Plan assets based on non-quoted prices represent 40% of the total plan assets and mainly consist of insurance policies. The Plan consists of growth assets, liability hedging assets and insurance contracts held as part of a partial buy-in. The Liability Driven Investment portfolio holds a combination of UK Government Bonds, Repurchase Agreements and Swaps within pooled funds to match the impact of changing in interest rates or inflation yields on the liabilities. The value of insurance contracts is determined based on the membership and benefit payable under the contract using the IAS 19 assumptions. The growth assets are a diversified set of exposures across equity, credit, private markets and diversifying strategies.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Change in assumption**	**Impact on scheme liabilities / Asset £'000**
Discount rate	0.5% increase	26,507
	0.5% decrease	(29,264)
Inflation rate	0.5% increase	(22,279)
	0.5% decrease	20,113
Post retirement mortality	Increase by 1 year	(17,056)
	Decrease by 1 year	17,505

The amounts recognised in the Balance Sheet are as follows:

	2022 £'000	2021 £'000
Fair value of Plan assets	**460,100**	705,000
Present value of funded obligations	**(445,454)**	(673,037)
Plan asset of funded obligations	**14,646**	31,963

Reflected in the Balance Sheet	2022 £'000	2021 £'000
Defined benefit asset	**14,646**	31,963
Deferred tax liability	**(3,662)**	(7,991)
Net asset	**10,984**	23,972

The amounts recognised in the Statement of Profit and Loss	2022 £'000	2021 £'000
Interest income	**(13,886)**	(8,624)
Interest costs	**13,247**	9,747
Total	**(639)**	**1,123**

Amounts recognised in Other Comprehensive Income / (expense)		
Liability losses (gains) due to changes in demographic assumptions	**1,724**	7,752
Liability (gains) losses due to changes in financial assumptions	**(233,371)**	(18,924)
Liability experience losses / (gains) arising during the period	**17,944**	(9,796)
Asset losses / (gains) arising during the period	**231,659**	(1,354)
Deferred tax	**(4,488)**	5,591
Total recognised in Other Comprehensive Income / (expense)	**13,468**	(16,731)

23 Pension schemes (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2022 £'000	2021 £'000
Defined benefit obligation as at 1 January	**673,037**	709,739
Current service cost		-
Interest cost	**13,247**	9,747
Actuarial (gains) losses	**(213,703)**	(20,968)
Benefits paid	**(27,127)**	(25,481)
Defined benefit obligation as at 31 December	**445,454**	673,037

Changes in the fair value of plan assets are as follows:	2022 £'000	2021 £'000
Fair value of plan assets as at 1 January	**705,000**	629,503
Expected return on plan assets	**13,886**	8,624
Actuarial (losses) / gains	**(231,659)**	1,354
Contributions by employer	**-**	91,000
Benefits paid	**(27,127)**	(25,481)
Fair value of plan assets as at 31 December	**460,100**	705,000

Ronez Pension Plan

The principal assumptions used by the actuary were (in absolute terms):

		2022 (%p.a.)	2021 (%p.a.)
Future salary increases		**N/A**	N/A
General Annual Salary Increase (GASI)		**N/A**	N/A
Rate of increases to pensions in payment (RPI)		**3.30%**	3.30%
Discount rate		**4.90%**	2.00%
Retail Price Inflation (RPI)		**3.30%**	3.40%
Rate of increases to pensions in deferment linked to (RPI)		**3.30%**	N/A
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	**21**	22
	Females	**24**	24
Retiring in 20 years time	Males	**22**	23
	Females	**25**	25

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The assumptions used in determining the overall expected return of the assets of the Plan have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate. The fair value of the Plan's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Plan's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Fair value at 31 December 2022 £'000	Ronez assets at 31 December 2021 £'000
Equities	**3,735**	7,499
Property	**1,484**	-
Investment funds & Corporate bonds	**8,643**	17,707
Cash	**350**	457
Others	**8,676**	9,179
Total fair value	**22,888**	34,842

None of the assets of the Plan are invested in the Company's own financial instruments and none of the assets are properties or other assets used by the Company. The full value of the plan assets are based on quoted assets.

23 Pension schemes *(continued)*

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	**Change in assumption**	**Impact on scheme liabilities £'000**
Discount rate	0.5% increase	973
	0.5% decrease	(1,090)
Inflation rate	0.5% increase	(295)
	0.5% decrease	257
Post retirement mortality	Increase by 1 year	(1,068)
	Decrease by 1 year	1,064

The amounts recognised in the Balance Sheet are as follows:

	2022 £'000	2021 £'000
Fair value of Plan assets	**22,888**	34,842
Present value of funded obligations	**(20,479)**	(29,572)
Adjustment due to asset ceiling	**(2,409)**	(5,270)
Plan deficit of funded obligations	**-**	-

Reflected in the Balance Sheet	**2022 £'000**	2021 £'000
Defined benefit deficit	**-**	-
Deferred tax asset	**-**	-
Net liability	**-**	-

The amounts recognised in the Statement of Profit and Loss	**2022 £'000**	2021 £'000
Expected return on plan assets	**(684)**	(493)
Administration expenses	**120**	120
Interest costs	**577**	437
Total	**13**	64
Amounts recognised in Other Comprehensive Income		
Liability (gains) / losses due to changes in demographic assumptions	**(225)**	313
Liability (gains) losses due to changes in financial assumptions	**(8,145)**	(1,669)
Liability experience losses / (gains) arising during the period	**146**	(122)
Asset losses (gains) arising during the period	**11,197**	171
Adjustment due to asset ceiling	**(2,968)**	1,362
Deferred tax	**(1)**	(10)
Total recognised in Other Comprehensive Income	**4**	45
Actual return on Plan assets	**(10,513)**	322

Changes in the present value of the defined benefit obligation are as follows:	**2022 £'000**	2021 £'000
Defined benefit obligation as at 1 January	**29,572**	32,027
Interest cost	**577**	437
Actuarial (gains) losses	**(8,224)**	(1,477)
Benefits paid	**(1,446)**	(1,415)
Defined benefit obligation at 31 December	**20,479**	29,572

Changes in the fair value of plan assets are as follows:	**2022 £'000**	2021 £'000
Plan assets as at 1 January	**34,842**	35,935
Expected return on plan assets	**684**	493
Actuarial (losses) gains	**(11,197)**	(171)
Contributions by employer	**125**	120
Benefits paid	**(1,446)**	(1,415)
Other - administration expenses	**(120)**	(120)
Plan assets as at 31 December	**22,888**	34,842

24 Contingent liabilities

The Company has contingent liabilities in respect of bonds, guarantees and agreements entered into in the normal course of business from which it is anticipated that no material liabilities will arise.

25 Leases

The Company assesses at the inception of a contract whether it contains a lease under IFRS 16 and accordingly recognises a right-of use asset and a lease liability if it meets the definition of a lease, with the exception of short-term leases and leases of low value assets. The weighted average lease period is 17 years.

The position "Property, plant and equipment" includes owned property, plant and equipment and right-of-use assets for lease contracts, as described below:

- Land: Land is leased for production sites and distribution facilities;
- Buildings and installations: Buildings and installations mainly covers buildings and installations for purposes of office rent;
- Machinery, equipment and vehicles: Mainly cover trucks, vehicles and heavy mobile equipment leased for production and transportation purposes. Certain vehicle leases have a lease extension option.

Included within right of use assets is £66,095k (2021: £71,058k) for leasehold land.

Right-of-Use assets	**Land and buildings**	**Plant, equipment and vehicles**	**Total**
Cost	**£'000**	**£'000**	**£'000**
At 1 January 2022	126,656	35,172	161,828
Additions	5,738	7,509	13,247
Modifications and reassessments of leases	3,116	708	3,824
Lease disposals	(632)	(3,513)	(4,145)
At 31 December 2022	**134,878**	**39,876**	**174,754**
Depreciation			
At 1 January 2022	27,152	27,516	54,668
Depreciation expense	9,733	4,345	14,078
Disposals	-	(3,541)	(3,541)
At 31 December 2022	**36,885**	**28,320**	**65,205**
Net book value			
At 31 December 2022	**97,993**	**11,556**	**109,549**
At 31 December 2021	99,504	7,656	107,160

Lease liabilities	**Land and buildings**	**Plant, equipment and vehicles**	**Total**
	£'000	**£'000**	**£'000**
At 1 January 2022	105,355	6,794	112,149
Additions	5,738	7,509	13,247
Modifications and reassessments of leases	3,116	708	3,824
Interest expense	3,984	256	4,240
Transferred in (out)	-	447	447
Disposals	(651)	-	(651)
Lease payments (Principal and Interest)	(14,456)	(5,384)	(19,840)
At 31 December 2022	**103,086**	**10,330**	**113,416**

A change in the incremental borrowing rate of 0.5% would impact £4.4m in the worth of right-of-use assets and lease liabilities.

	2022	2021
Split Between:	**£'000**	£'000
Less than 1 year	**10,654**	11,148
2 to 5 years	**31,937**	29,515
More than 5 years	**70,825**	71,486
Lease liabilities	**113,416**	112,149

26 Related party disclosures

During the year the Company had the following transactions with certain of its joint ventures and related parties.

	Sales £'000	Purchases £'000
2022		
Joint ventures and associates	**4,048**	**36,733**
2021		
Joint ventures and associates	3,487	34,170

Amounts owed by related parties	**2022 £'000**	2021 £'000
Amounts owed by joint ventures and associates	**6,771**	8,305
	6,771	8,305

Amounts owed to related	**2022 £'000**	2021 £'000
Amounts owed to joint ventures and associates	**4,575**	5,279
	4,575	5,279

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured and interest free. The Group has not provided or benefited from any guarantees for any related party receivables or payables.

There were no transactions of a material nature that were made with senior management or Directors which require disclosure other than the Directors' remuneration paid that is disclosed in note 5.

27 Hive-up of subsidiary undertaking

In 2022, the assets and liabilities of Stalybridge Readymix Limited (SRL) and Northumbrian Roads Limited (NRL) were hived up with carrying value into the Company on 30 April 2022 and 31 December 2022 respectively. This has resulted in a transfer of £4,113k for SRL and £7,160k for NRL from investments to goodwill.

The total value of hive up of trade and assets in the year is analysed below:

	SRL £'000	NRL £'000	Total £'000
Tangible fixed assets	255	4,912	5,167
Stocks	8	824	832
Debtors	1,968	1,728	3,696
Cash	428	3,118	3,546
Creditors	(1,769)	(3,103)	(4,872)
Net assets acquired excluding intercompany	**890**	**7,479**	**8,369**
Intercompany loan on the date of hive up	129	(679)	(550)
Net assets acquired	**1,019**	**6,800**	**7,819**
Consideration paid via intercompany	(1,019)	(6,800)	(7,819)
Transfer from Investment to Goodwill	4,113	7,160	11,273

28 Post balance sheet events

During 2023, an interim dividend of £94.72 per ordinary share was paid, totalling £9,500k.

29 Parent and ultimate parent company

The immediate parent company is Aggregate Industries Limited, incorporated in Great Britain and the ultimate parent and controlling undertaking is Holcim Ltd which is incorporated in Switzerland. This is the smallest and largest group in which results are consolidated.

Copies of the accounts of Holcim Ltd, the ultimate parent entity at the balance sheet date, are available on www.holcim.com or from Holcim Ltd Corporate Communications, Grafenauweg 10, CH-6300 Zug, Switzerland.