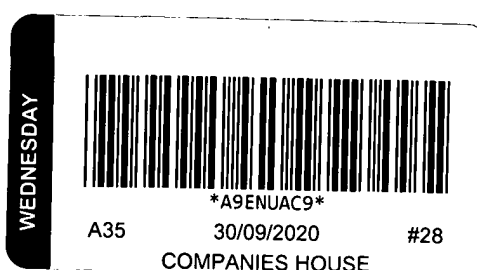


# Tarmac Industrial Products Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



**Tarmac Industrial Products Limited**

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## **Tarmac Industrial Products Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The Directors present their annual report and the financial statements of Tarmac Industrial Products Limited (the "Company") for the year ended 31 December 2019.

The Company is a wholly owned indirect subsidiary of Tarmac Holdings Limited. Tarmac Holdings Limited is part of the CRH Group. Tarmac Holdings Limited and its subsidiaries are referred to throughout as Tarmac, and CRH plc and its subsidiaries are referred to as the Group.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006, which also provides exemption from the preparation of a Strategic Report.

#### **Directors of the Company**

The Directors, who held office during the year and to the date of this report, except where otherwise stated, were as follows:

Tarmac Directors (UK) Limited

M Choules

#### **Principal activity**

The principal activity of the Company is that of an investment holding company.

#### **Going concern**

The Directors have considered going concern in preparing these financial statements.

Detailed forecasts including the Company are prepared on a Tarmac basis for a period of at least 12 months from the date of approval of these financial statements. Given that forecasts are not prepared by statutory entity, confirmation of ongoing support throughout an equivalent period has been obtained from the Company's ultimate parent company, CRH plc, for which forward looking forecasts have also been prepared and sensitised to reflect severe but plausible downside scenarios.

Having received this confirmation and considered it together with the current and forecast financial position of CRH plc and their willingness and ability to provide financial support to the Company as needed, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **Post balance sheet events**

On 11 March 2020, the World Health Organisation declared an international public health emergency as a result of the outbreak of the coronavirus (COVID-19). Following this announcement, the UK government announced a series of temporary support measures for business owing to the economic disruption caused by the pandemic. The Company has utilised such measures where appropriate.

Trading conditions across the Tarmac sub-group were impacted by the onset of coronavirus in the UK, particularly during Q2. Production was temporarily suspended at certain sites to match the revised demand profile and flex the operating capacity as required. Sites have reopened in line with demand as sales volumes have begun to recover. Management are actively monitoring the risks and continue to follow government guidance to ensure sites that are open are compliant with coronavirus legislation.

There remains a level of uncertainty around the short-term impact of future outbreaks of coronavirus, however it is hoped any restrictions implemented will be localised and that construction activity can continue with mitigating measures in place, as such the impact should be less disruptive to the Company when compared with the initial outbreak.

The Company will continue to monitor its assessment of the economic environment and in particular the impact of the COVID-19 pandemic and its consequential management actions, to determine whether it has an impact on the Company. Accordingly, the Company will conduct impairment reviews as part of its usual reporting process, which may lead to the write down of assets should the impact of the pandemic persist.

## **Tarmac Industrial Products Limited**

### **Directors' Report for the Year Ended 31 December 2019 (continued)**

#### **Directors indemnities**

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

#### **Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Auditors**

Following legislative changes requiring the mandatory rotation of audit firms, Ernst & Young LLP will resign as auditors of CRH plc, the Company's ultimate parent company, after the completion of the parent accounts for the year ended 31 December 2019.

Ernst & Young LLP will also resign as auditors of the Company following the completion of the Company's accounts for the year ended 31 December 2019 and will therefore cease to hold office. The Company intend to appoint Deloitte LLP as the Company's auditors in accordance with section 485 of the Companies Act 2006.

29-Sep-2020

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:

*Michael Choules*

.....95BFC8A8B09444.....

M Choules  
Director

## **Tarmac Industrial Products Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Independent Auditor's Report to the Members of Tarmac Industrial Products Limited**

### **Opinion**

We have audited the financial statements of Tarmac Industrial Products Limited (the 'Company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to notes 2 and Post balance sheet events of the financial statements which describe the economic and social consequences the Company is facing as a result of COVID-19. Our opinion is not modified in this respect.

### **Other matter – Comparative financial information**

We draw attention to the comparative financial information disclosed in the financial statements as being unaudited. Our opinion is not modified in this respect.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### **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. 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.

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

We have nothing to report in this regard.

## **Independent Auditor's Report to the Members of Tarmac Industrial Products Limited (continued)**

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

## **Independent Auditor's Report to the Members of Tarmac Industrial Products Limited (continued)**

### **Use of our report**

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



Adam Gittens (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 Colmore Square  
Birmingham  
B4 6HQ

30-Sep-2020

Date:.....



**Tarmac Industrial Products Limited****Profit and Loss Account for the Year Ended 31 December 2019**

	Note	2019 £	2018 £
Other operating income	7	<u>2,392,045</u>	<u>-</u>
Operating profit		2,392,045	-
Income from shares in group undertakings		1,570,231	-
Fixed asset investment impairment		<u>(2,851,329)</u>	<u>-</u>
Profit before tax		1,110,947	-
Tax on profit	6	<u>-</u>	<u>-</u>
Profit for the year		<u><u>1,110,947</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

The notes on pages 11 to 19 form an integral part of these financial statements.

# **Tarmac Industrial Products Limited**

## **Statement of Comprehensive Income for the Year Ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit for the year	1,110,947	-
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive for the year	<u><u>1,110,947</u></u>	<u><u>-</u></u>


**Tarmac Industrial Products Limited**

**(Registration number: 00558320)**  
**Balance Sheet as at 31 December 2019**

	Note	31 December 2019 £	31 December 2018 £
<b>Non current assets</b>			
Investments	7	1,446,349	1,905,633
<b>Current assets</b>			
Debtors	8	13,775,801	13,702,776
<b>Creditors: Amounts falling due within one year</b>	9	<u>(34,954,555)</u>	<u>(36,451,761)</u>
<b>Net current liabilities</b>		(21,178,754)	(22,748,985)
<b>Total liabilities</b>		<u>(34,954,555)</u>	<u>(36,451,761)</u>
<b>Net liabilities</b>		<u>(19,732,405)</u>	<u>(20,843,352)</u>
<b>Capital and reserves</b>			
Share capital	10	100,000,000	100,000,000
Profit and loss account	11	<u>(119,732,405)</u>	<u>(120,843,352)</u>
Shareholders' deficit		<u>(19,732,405)</u>	<u>(20,843,352)</u>

29-Sep-2020

Approved by the Board and authorised for issue on ..... They were signed on its behalf by:

DocuSigned by:  
  
 95BFC8A9BB09444...  
 M Choules  
 Director

The notes on pages 11 to 19 form an integral part of these financial statements.

**Tarmac Industrial Products Limited****Statement of Changes in Equity for the Year Ended 31 December 2019**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2018	100,000,000	(120,843,352)	(20,843,352)
Profit/(loss) for the year	-	-	-
Total comprehensive income	-	-	-
At 31 December 2018	<u>100,000,000</u>	<u>(120,843,352)</u>	<u>(20,843,352)</u>

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2019	100,000,000	(120,843,352)	(20,843,352)
Profit for the year	-	1,110,947	1,110,947
Total comprehensive income	-	1,110,947	1,110,947
At 31 December 2019	<u>100,000,000</u>	<u>(119,732,405)</u>	<u>(19,732,405)</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

## **Tarmac Industrial Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales, operating under the Companies Act 2006.

The address of its registered office is:

Portland House  
Bickenhill Lane  
Solihull  
B37 7BQ

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and in accordance with applicable accounting standards. The financial statements are prepared on the historical cost basis.

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

##### **Going concern**

The Directors have considered going concern in preparing these financial statements.

Detailed forecasts including the Company are prepared on a Tarmac basis for a period of at least 12 months from the date of approval of these financial statements. Given that forecasts are not prepared by statutory entity, confirmation of ongoing support throughout an equivalent period has been obtained from the Company's ultimate parent company, CRH plc, for which forward looking forecasts have also been prepared and sensitised to reflect severe but plausible downside scenarios.

Having received this confirmation and considered it together with the current and forecast financial position of CRH plc and their willingness and ability to provide financial support to the Company as needed, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## Tarmac Industrial Products Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 2 Accounting policies (continued)

##### Summary of disclosure exemptions

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under s400 of the Companies Act, because it is included in the group financial statements of CRH plc.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard including:

- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1
- the requirements of paragraphs 10(d), 16, 38A, 38C, 38D, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures 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

Where required, equivalent disclosures are given in the group accounts of CRH plc. The group accounts of CRH plc are available to the public and can be obtained as set out in note 12.

##### Changes in accounting policy

##### New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2019, none of these standards, interpretations and amendments have had a material effect on the financial statements.

- *IFRS 16 Leases*

##### Revenue recognition

##### Dividend revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

##### Tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

## **Tarmac Industrial Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

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

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

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### **Investments**

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

#### **Financial instruments**

##### **Classification and measurement**

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

Financial assets and financial liabilities are initially measured at fair value.

##### **Financial assets**

The Company's classes of financial assets are cash and other financial assets, and these are classified as 'loans and receivables'.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

## **Tarmac Industrial Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial liabilities**

The Company has financial liabilities that are classified as 'other financial liabilities', and these relate to borrowings from fellow subsidiary companies and trade and other payables.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### **Derecognition**

###### *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 collateralised borrowing for the proceeds received.

###### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

##### **Impairment of financial assets**

###### *Financial assets*

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

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The Directors believe that there are no accounting policies that are critical due to the degree of estimation required and/or the potential material impact they may have on the Company's financial position and performance.



## Tarmac Industrial Products Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 4 Staff costs

The Company had no employees during the year (2018: nil).

The emoluments of the Directors are paid by another group company as their services to the Company are incidental to their services provided to other group companies.

#### 5 Auditors' remuneration

Audit fees for the audit of the Company £1,000 (2018: £Nil) are borne by a fellow group company, Tarmac Trading Limited.

There were no non audit services provided in either year.

#### 6 Tax on profit

The corporation tax charge for the year was £nil (2018: £nil).

The differences between the total tax for the year and the amount calculated by applying the standard rate of UK corporation tax of 19% (2018: 19%) to the profit before tax are as follows:

	2019 £	2018 £
Profit before tax	1,110,947	-
Corporation tax at standard rate	211,080	-
Decrease from effect of revenues exempt from taxation	(298,344)	-
Increase from effect of expenses not deductible in determining taxable profit	87,264	-
Total tax charge/(credit)	-	-

Group relief within Tarmac is surrendered free of charge. Group relief claimed from other CRH UK Group companies outside of Tarmac is paid for at the prevailing rate of corporation tax for the year of 19% (2018: 19%).

Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017 resulting in a current tax rate for the year of 19%. On 15 September 2016, Finance Bill 2016 enacted a further rate reduction to 19% with effect from 1 April 2020. A further change was enacted in Finance Act 2020 to cancel the proposed reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020. Therefore going forward the main rate of corporation tax shall remain at 19%. This change was substantively enacted on 17 March 2020 i.e. after the balance sheet date.

## Tarmac Industrial Products Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments

##### Subsidiaries

£

##### Cost or valuation

At 1 January 2019	11,970,457
Additions	2,392,045
At 31 December 2019	<u>14,362,502</u>

##### Provision

At 1 January 2019	10,064,824
Provision	2,851,329
At 31 December 2019	<u>12,916,153</u>

##### Carrying amount

At 31 December 2019	<u>1,446,349</u>
At 31 December 2018	<u>1,905,633</u>

During the year, the Company increased its investment in Charles Smith Sons & Co Limited by £2,392,045 in order to make the entity solvent in anticipation of the entity being liquidated. This investment was offset against the brought forward debtor owed by Charles Smith Sons & Co Limited to the Company. An impairment provision of £2,392,045 was recognised by the Company against the cost of this investment in anticipation of Charles Smith Sons & Co Limited being liquidated. The provision of £2,392,045 against the brought forward debtor owed by Charles Smith Sons & Co Limited was released to the profit and loss account during the year as the debtor was satisfied by the Company's increased investment in that company.

Also, during the year, an impairment provision of £459,284 was recognised against the cost of the Company's investment in Ace Minimix Limited in anticipation of that entity being liquidated.

The investments in subsidiaries are all stated at cost less provision for impairment.

Details of the subsidiaries at 31 December 2019 are as below. All companies listed below are owned directly by the Company unless otherwise indicated. All companies operate principally in their country of incorporation, which is the United Kingdom unless otherwise indicated.

All companies have a registered address of Portland House, Bickenhill Lane, Solihull, Birmingham, B37 7BQ, England, unless otherwise indicated below.

Name of subsidiary	Registered office	Proportion of ownership %	
		2019	2018
Ace Minimix Limited (in liquidation)		100%	100%
Briggs Amasco Curtainwall Limited		100%	100%
Charles Smith Sons & Co Limited (in liquidation)		100%	100%
Tarmac Group Cement and Lime Limited		100%	100%
Tipton Holdings Limited		100%	100%

## Tarmac Industrial Products Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 7 Investments (continued)

Name of subsidiary	Registered office	Proportion of ownership %	
		2019	2018
Brady Industries Limited		100%	100%
Lime-Sand Mortar (Southern) Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100%	100%
Vicourt Limited		100%	100%
Wildmount Properties Limited (in liquidation)		100%	100%

#### 8 Debtors

	31 December 2019	31 December 2018
	£	£
Amounts owed by group companies	<u>13,775,801</u>	<u>13,702,776</u>

Amounts owed by fellow group companies have no fixed repayment date and no interest is charged on these balances.

#### 9 Creditors: Amounts due in less than one year

	31 December 2019	31 December 2018
	£	£
Amounts owed to group companies	<u>34,954,555</u>	<u>36,451,761</u>

Amounts owed to group companies have no fixed repayment date and no interest is charged on these balances.

## Tarmac Industrial Products Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

#### 10 Share capital

##### Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No.	£	No.	£
100,000,000 Ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>

#### 11 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

Details of all movements in reserves are shown in the Statement of Changes in Equity on page 10.

#### 12 Parent and ultimate parent undertaking

The Company's immediate parent is Tarmac Holdings (THL) Limited.

The ultimate parent is CRH plc.

##### Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is CRH plc, incorporated in Ireland.

The address of CRH plc is:

42 Fitzwilliam Square,

Dublin,

D02 R279,

Ireland

Copies of the financial statements of the ultimate parent company are available from the Company Secretary at the above address.

## **Tarmac Industrial Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)**

#### **13 Post balance sheet events**

On 11 March 2020, the World Health Organisation declared an international public health emergency as a result of the outbreak of the coronavirus (COVID-19). Following this announcement, the UK government announced a series of temporary support measures for business owing to the economic disruption caused by the pandemic. The Company has utilised such measures where appropriate.

Trading conditions across the Tarmac sub-group were impacted by the onset of coronavirus in the UK, particularly during Q2. Production was temporarily suspended at certain sites to match the revised demand profile and flex the operating capacity as required. Sites have reopened in line with demand as sales volumes have begun to recover. Management are actively monitoring the risks and continue to follow government guidance to ensure sites that are open are compliant with coronavirus legislation.

There remains a level of uncertainty around the short-term impact of future outbreaks of coronavirus, however it is hoped any restrictions implemented will be localised and that construction activity can continue with mitigating measures in place, as such the impact should be less disruptive to the Company when compared with the initial outbreak.

The Company will continue to monitor its assessment of the economic environment and in particular the impact of the COVID-19 pandemic and its consequential management actions, to determine whether it has an impact on the Company. Accordingly, the Company will conduct impairment reviews as part of its usual reporting process, which may lead to the write down of assets should the impact of the pandemic persist.