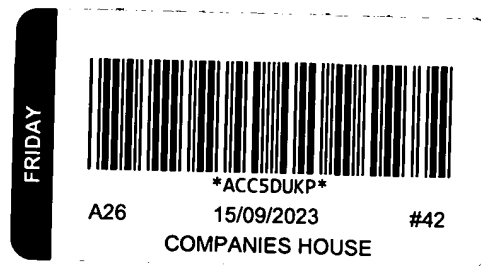


Registered number: 00562240

ARC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



ARC LIMITED

COMPANY INFORMATION

Directors

N Benning-Prince
R C Dowley
E A Gretton
Dr C M Wendt (resigned 11 February 2022)
A Quilez Somolinos (appointed 11 February 2022)

Company secretary

W F Rogers

Registered number

00562240

Registered office

Second Floor
Arena Court
Crown Lane
Maidenhead
Berkshire
SL6 8QZ

ARC LIMITED

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ARC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activity

The Company is a group finance company. It did not trade during the current or prior year and, therefore, the financial statements comprise the Balance Sheet and related notes only.

Going concern

The Company has limited activity outside of the Heidelberg Materials AG (formerly HeidelbergCement AG) group and therefore its on-going activity is dependent on the operational activity of the Heidelberg Materials AG group.

On the basis of their assessment of the Company's financial position and relevant enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. The Directors have noted that the ultimate parent undertaking, Heidelberg Materials AG, has made an assessment of identifiable risks on their global business activities, including the on-going impact of the Ukraine crisis, the volatility in energy and raw materials markets, inflationary pressures, rising interest rates and the overarching impact these factors have on construction and consumer markets, and continues to operate on a going concern basis.

Thus the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The Directors who served during the year and up to the date of signing the financial statements were:

N Benning-Prince

R C Dowley

E A Gretton

Dr C M Wendt (resigned 11 February 2022)

A Quilez Somolinos (appointed 11 February 2022)

Directors' indemnity

Heidelberg Materials AG has indemnified, by means of directors' and officers' liability insurance, one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act. 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.

The articles of association also provide for the Directors to be indemnified by the Company subject to the provisions of the Companies Act.

This report was approved by the board on 7 September 2023 and signed on its behalf.



W F Rogers
Secretary

ARC LIMITED
REGISTERED NUMBER: 00562240

BALANCE SHEET
AS AT 31 DECEMBER 2022

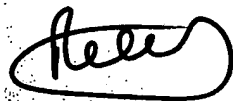
	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	3	18,000	18,000
Net assets		<u>18,000</u>	<u>18,000</u>
Capital and reserves			
Called up share capital	4	18,000	18,000
Total equity		<u>18,000</u>	<u>18,000</u>

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2023.



R C Dowley
Director

The notes on pages 3 to 5 form part of these financial statements.

ARC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

ARC Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed in the Company Information.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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 pound (£).

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

The Company is part of the Heidelberg Materials AG group and is included in the consolidated financial statements of Heidelberg Materials AG. The Company therefore qualifies for the reduced disclosures for subsidiaries under FRS 102 including the exemption to present a cash flow statement. The Company is also exempt under Section 33.1A of FRS 102 from disclosing related party transactions with wholly owned subsidiaries of Heidelberg Materials AG.

2.2 Going concern

The Company has limited activity outside of the Heidelberg Materials AG group and therefore its on-going activity is dependent on the operational activity of the Heidelberg Materials AG group.

On the basis of their assessment of the Company's financial position and relevant enquiries, the Directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern. The Directors have noted that the ultimate parent undertaking, Heidelberg Materials AG, has made an assessment of identifiable risks on their global business activities, including the on-going impact of the Ukraine crisis, the volatility in energy and raw materials markets, inflationary pressures, rising interest rates and the overarching impact these factors have on construction and consumer markets, and continues to operate on a going concern basis.

Thus the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ARC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Classification of Shares as Debt or Equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

The proceeds of an issue are allocated to shareholders' equity, net of transaction costs. The carrying amount of equity is not re-measured in subsequent years.

The 2.5% non-cumulative preference shares are non-redeemable and the payment of dividends is under the control of the Directors. These preference shares have therefore been accounted for as equity (see note 4).

3. Debtors

	2022 £	2021 £
Due within one year		
Amounts owed by group undertakings	18,000	18,000

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

4. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
3,000 (2021 - 3,000) ordinary shares of £1 each	3,000	3,000
15,000 (2021 - 15,000) 2.5% non-cumulative preference shares of £1 each	15,000	15,000
	18,000	18,000

The Directors have considered the accounting treatment of the 2.5% non-cumulative preference shares in relation to FRS102 Section 22: Liabilities and Equity, and are of the opinion that these shares are in substance an equity instrument and are accordingly disclosed as equity in the balance sheet.

The holders of the preference shares are entitled to a fixed non-cumulative preference dividend of 2.5% per annum on the amounts paid up on the shares, and have a preferential right to receive the amount paid up on the shares on a return of assets in a winding-up. The preference shares carry no rights to receive notice of, or to attend or vote, at general meetings of the Company.

No dividends on the preference shares were declared or paid during the year.

ARC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS102 not to disclose transactions with wholly owned subsidiaries in the group headed by Heidelberg Materials AG. Balances outstanding at 31 December with related parties, are as follows:

	2022 £	2021 £
Amounts owed by direct parent undertaking	18,000	18,000

6. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Houserate Limited, a company registered in England and Wales. The Company's ultimate parent undertaking is Heidelberg Materials AG, a company registered in Germany. The largest and smallest group in which the results of the Company are consolidated is that headed by Heidelberg Materials AG. Copies of the consolidated financial statements of Heidelberg Materials AG may be obtained from Berliner Strasse 6, D 69120 Heidelberg, Germany.