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K.R.M. CONCRETE LIMITED
T/A KENDALL READY MIXED CONCRETE
Annual report and financial statements
for the year ended 31 March 2019

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K.R.M. CONCRETE LIMITED
Reports and financial statements
for the year ended 31 March 2019

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K.R.M. CONCRETE LIMITED

Directors and advisors

Directors

J F Bowater

J W Atherton-Ham

Independent Auditor

Crowe UK LLP

Black Country House

Rounds Green Road

Oldbury

West Midlands, B69 2DG

United Kingdom

Registered office

Bardon Hall

Copt Oak Road

Markfield

Leicestershire

LE67 9PJ

Registered number

02951202

K.R.M. CONCRETE LIMITED
Directors' report
for the year ended 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

Directors

The following directors held office during the year and subsequently:

J F Bowater	
J W Atherton-Ham	(resigned 30 April 2019)
P J Norah	(appointed 01 May 2019)

Cessation of trade

Effective 31 March 2019 the trading assets of the company were hived up to Aggregate Industries UK. On that date the company ceased to trade, and therefore is not a going concern. Aggregate Industries UK continues to trade under the name of Kendall's.

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 auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor appointment

Harrison Black Limited resigned as auditors during the year. Crowe UK LLP were appointed as auditors in their place by the Directors.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemption allowed by S415A of the Companies Act 2006.

K.R.M. CONCRETE LIMITED
Directors' report (continued)
for the year ended 31 March 2019

Directors' responsibilities statement per auditor's in relation to financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 30th January 2020 and signed on its behalf by:

J F Bowater

Director

Independent auditor's report to the members of K.R.M. Concrete Limited

Opinion

We have audited the financial statements of K.R.M. Concrete Limited for the year ended 31 March 2019, which comprise the profit and loss account, the Balance sheet and the related notes, 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 Financial Reporting Standard 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 March 2019 and of the Company's 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 United Kingdom, including the Financial Reporting Council'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

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.

Emphasis of matter – Financial statements prepared on a basis other than going concern

We draw attention to Note 2 to the financial statements which explains that the directors ceased to trade on 31 March 2019 and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

Opinion 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 Company strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Company 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 the 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 Company 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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. 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.

Crowe UK LLP

Mark Evans (senior statutory auditor)

For and on behalf of Crowe UK LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands, UK

B69 2DG

Date:

31 January 2020

K.R.M. CONCRETE LIMITED
Statement of Comprehensive Income
For the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Continuing operations			
Turnover		14,554	14,582
Cost of sales		(12,714)	(11,461)
Gross profit		1,840	3,121
Distribution costs		(898)	(1,908)
Administrative expenses		(658)	(579)
Exceptional gain		1,545	-
Operating profit	5	1,829	634
Interest payable and similar expense	4	-	6
Profit before taxation	5	1,829	628
Taxation on profit on ordinary activities	6	-	120
Profit for the financial year		1,829	508

The notes on pages 8 to 13 form part of these financial statements.

K.R.M. CONCRETE LIMITED
Company Registration No. 02951202
Balance Sheet
As at 31 March 2019

	Note	2019 £'000	2018 £'000
Current assets			
Stock	7	-	70
Debtors	8	2,386	2,200
Cash at bank and in hand		-	1,758
		<u>2,386</u>	<u>4,029</u>
Creditors: amounts falling due within one year	9	-	(3,472)
Net current assets		<u>2,386</u>	<u>557</u>
Total assets less current liabilities		<u>2,386</u>	<u>557</u>
Net assets		<u>2,386</u>	<u>557</u>
Capital and reserves			
Called up share capital	10	20	20
Retained earnings	11	2,366	537
Total shareholders' funds		<u>2,386</u>	<u>557</u>

The notes on pages 8 to 13 form part of these financial statements.

The companies financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of K.R.M. Concrete Limited were approved by the board of directors and authorised for issue on 30th January 2020 and they were signed on its behalf by:

J F Bowater
Director

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

1 General Information

K.R.M. Concrete Limited is a private company limited by shares and incorporated in England and Wales. Its principal place of business is Kendall's Wharf, Eastern Road, Portsmouth, Hampshire, PO3 5LY. The registered office is Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ. The functional currency of the company is Sterling shown in the financial statements to the thousands.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 LafargeHolcim Ltd (formerly Holcim Ltd) incorporated in Switzerland. Accordingly, these accounts present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared on a non-going concern basis, no adjustments have been made to the accounts. The company ceased trading on 31 March 2019, therefore the directors do not consider the company to be a going concern.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 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:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 134 to 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 in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax and less trade discounts.

Revenue from the sale of goods is recognised when the company has transferred the significant risks and rewards of ownership to the customer and it is probable that the company will receive payment. This is usually at the point that the customer has signed for the delivery of the goods.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is based on the cost of purchase on a first in, first out basis. Cost includes the purchase price, including taxes and duties, transport and handling directly attributable to bringing the stock to its present location and condition.

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

2 Accounting policies (continued)

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, defined contribution pension plans and paid holiday arrangements.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The company operates a defined contribution pension scheme for its employees. A defined contribution pension plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the company in independently administered funds.

(iii) Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Financial instruments

In preparing these financial statements, the financial instruments are recognised as follows:

(i) Financial assets

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(ii) Financial liabilities

Basic financial liabilities, including trade creditors and other payables including bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

2 Accounting policies (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

(i) Determine whether leases entered into by the company either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

(ii) Determine whether the company has a present obligation (legal or constructive) as a result of a past event, if it is probable that the company will be required to settle such obligation and if a reliable estimate can be made of the amount of such obligation.

(iii) Determine whether a financial instrument is basic or advanced. Basic instruments are carried at historic cost. Non basic instruments are measured at the present value of the future receipts discounted at a market rate of interest.

Key estimation uncertainties are:

(i) The amount the company recognises as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(ii) The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including current credit rating of the debtor, the ageing profile of debtors and historical experience.

3 Employees and directors

	2019 £'000	2018 £'000
Wages and salaries	1,228	1,134
Social security costs	118	109
	<u>1,346</u>	<u>1,243</u>

The average number of employees during the year was as follows:

	2019 Number	2018 Number
Transport	24	27
Wharf	11	4
Administration	2	5
	<u>37</u>	<u>36</u>

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

4 Interest payable and similar expense	2019	2018
	£'000	£'000
Finance charges	-	6
	<u>-</u>	<u>6</u>

5 Profit before taxation	2019	2018
	£'000	£'000
This is stated after charging:		
Cost of inventories recognised as expenses	12,714	11,461
Hire of plant and machinery	139	205
Other operating leases	83	64
Auditor's remuneration	5	4
Auditor's remuneration for non audit work	-	2

6 Taxation on profit on ordinary activities	2019	2018
	£'000	£'000
The charge for taxation is as follows:		
Current Tax:		
Tax	-	120
Under/over provision in previous years	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	120
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Total tax expense in statement of comprehensive income	<u>-</u>	<u>120</u>

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% (2018: 19%).

The differences are explained below.

	2019	2018
	£'000	£'000
Profit on ordinary activities before taxation	1,829	628
Tax on profit on ordinary activities at the standard rate	348	119
Non deductible	(348)	-
Expenses not allowable for tax purposes	-	1
	<u>-</u>	<u>1</u>
Total tax	<u>-</u>	<u>120</u>

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

7 Stock

	2019 £'000	2018 £'000
Raw materials	-	70
	<u>-</u>	<u>70</u>

8 Debtors

	2019 £'000	2018 £'000
Trade debtors	-	2,194
Prepayments and accrued income	-	6
Amounts due from group undertakings	2,386	-
	<u>2,386</u>	<u>2,200</u>

9 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	-	829
Amounts due to group undertakings	-	2,313
Corporation tax	-	120
Other taxes and social security	-	45
VAT	-	117
Other creditors	-	38
Accruals and deferred income	-	10
	<u>-</u>	<u>3,472</u>

10 Share capital

	2019 £'000	2018 £'000
<i>Allotted, called up and fully paid:</i>		
20,000 Ordinary shares of £1.00 each	20	20

There is a single class of ordinary shares. There is no restrictions on the distribution of dividends and the repayment of capital.

11 Reserves

	Retained Earnings £'000
At 1 April 2018	537
Profit for the year	1,829
At 31 March 2019	<u>2,366</u>

K.R.M. CONCRETE LIMITED
Notes to the financial statements
for the year ended 31 March 2019

12 Pensions commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs represent contributions payable by the company to the fund.

The contributions payable by the company for the year were £nil (2018 : £nil) and £nil (2018 : £nil) was outstanding at the year end.

13 Parent and ultimate parent company

The immediate parent company is Kendall Bros. (Portsmouth) Limited, incorporated in Great Britain and the ultimate parent and controlling undertaking is LafargeHolcim Ltd which is incorporated in Switzerland. This is the smallest and largest group in which results are consolidated.

Copies of the accounts of LafargeHolcim Ltd, the ultimate parent entity at the balance sheet date, are available on www.lafargeholcim.com or from LafargeHolcim Ltd Corporate Communications, Zürcherstrasse 156, CH-8645 Jona, Switzerland.

14 Hive up

On 31 March 2019 K.R.M. Concrete Limited transferred its trade, assets and liabilities to Aggregate Industries (UK) Limited permitted by FRS 101.

The value of the Company's net assets acquired by Aggregate Industries UK Limited was £2,386k, being the book value of the assets less liabilities taking in to account any fair value adjustments that are held on consolidation at 31 March 2019. The purchase consideration for the Company was via an interest-free intercompany loan repayable on demand.

The acquired balance sheet of the Company as at 31 March 2019 is as set out below.

	£'000
Cash at bank and in hand	741
Debtors	3,568
Inventory	86
Creditors	(634)
Net assets acquired (excluding intercompany)	<u>3,761</u>
Net assets	841
Consideration satisfied by intercompany loan	<u>2,386</u>

A consideration of £2,386k was arranged via an interest free intercompany loan repayable on demand. This is £1,545k in excess of the book value of assets less liabilities (including any pre-existing intercompany balances). This excess is in relation to the fair value of assets held in K.R.M. Concrete Limited as at 31 March 2019. This has been recognised as an exceptional item in the income statement for the fair value gain of assets hived up.