

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
Lagan Asphalt Group Limited**

Lagan Asphalt Group Limited

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Lagan Asphalt Group Limited
Company Information
for the year ended 31 December 2022

DIRECTORS:

J W Atherton-Ham
J E Brotherton
P R Gilroy
L P McDonald

SECRETARY:

J W Atherton-Ham

REGISTERED OFFICE:

5 Blackwater Road
Newtownabbey
BT36 4TZ

REGISTERED NUMBER:

NI073968 (Northern Ireland)

AUDITORS:

Clayton & Brewill
Statutory Auditors and
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

Lagan Asphalt Group Limited
Report of the Directors
for the year ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the business is as a holding company.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

J E Brotherton
L P McDonald

Other changes in directors holding office are as follows:

J W Atherton-Ham - appointed 1 March 2022
P R Gilroy - appointed 14 September 2022
T Lagan - resigned 5 December 2022
R E McDonald - resigned 1 March 2022

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political donations and did not incur any political expenditure in either year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

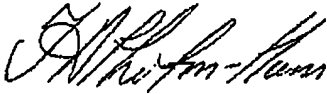
Lagan Asphalt Group Limited
Report of the Directors
for the year ended 31 December 2022

AUDITORS

The auditors, Clayton & Brewill, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
J W Atherton-Ham - Director

Date: 27 June 2023.....

Report of the Independent Auditors to the Members of Lagan Asphalt Group Limited

Opinion

We have audited the financial statements of Lagan Asphalt Group Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, 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 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 December 2022;
- 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 Auditors' 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Lagan Asphalt Group Limited

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 Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Auditors' 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 a Report of the Auditors 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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
Lagan Asphalt Group Limited**

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 a Report of the Auditors 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.

Mr Neil South FCA (Senior Statutory Auditor)
for and on behalf of Clayton & Brewin
Statutory Auditors and
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
Nottinghamshire
NG1 7HR

Neil South FCA

Date: *28th June 2023*

Lagan Asphalt Group Limited
Statement of profit and loss
and other comprehensive Income
for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
TURNOVER		-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION	4	-	-
Tax on profit	5	-	2
LOSS FOR THE FINANCIAL YEAR		-	(2)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	(2)

The notes form part of these financial statements

Lagan Asphalt Group Limited (Registered number: NI073968)

**Balance Sheet
31 December 2022**

	Notes	2022 £'000	£'000	2021 £'000	£'000
FIXED ASSETS					
Investments	6		17		17
CURRENT ASSETS					
Cash at bank		495		495	
CREDITORS					
Amounts falling due within one year	7	<u>9</u>		<u>9</u>	
NET CURRENT ASSETS			<u>486</u>		<u>486</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>503</u>		<u>503</u>
CAPITAL AND RESERVES					
Called up share capital	8		10		10
Retained earnings	9		<u>493</u>		<u>493</u>
SHAREHOLDERS' FUNDS			<u>503</u>		<u>503</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2023 and were signed on its behalf by:



.....
J E Brotherton - Director

Lagan Asphalt Group Limited
Statement of Changes in Equity
for the year ended 31 December 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2021	10	495	505
Changes in equity			
Total comprehensive income	-	(2)	(2)
Balance at 31 December 2021	<u>10</u>	<u>493</u>	<u>503</u>
Changes in equity			
Balance at 31 December 2022	<u><u>10</u></u>	<u><u>493</u></u>	<u><u>503</u></u>

The notes form part of these financial statements

Lagan Asphalt Group Limited
Notes to the Financial Statements
for the year ended 31 December 2022

1. STATUTORY INFORMATION

Lagan Asphalt Group Limited is a private company, limited by shares, registered in Northern Ireland. The company's registered number and registered office address can be found on the Company Information page.

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.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Breedon Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Breedon Group plc are prepared in accordance with International Financial Reporting Standards as adopted by the UK and may be obtained from the Company Secretary, Breedon Group plc, 28 Esplanade, St Heller, Jersey JE2 3QA. See note 12 for further disclosure.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- *Comparative period reconciliations for share capital*;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Breedon Group plc include the equivalent disclosures, the Company has also taken the exemptions available under FRS 101 in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Lagan Asphalt Group Limited

Notes to the Financial Statements - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full using the Statement of Financial Position liability method and represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Going concern

The Company has sufficient cash to settle its current liability of £9,000 and does not expect to have any other future liabilities, however it will continue to be a guarantor of Breedon Group plc and certain of its subsidiary undertakings' banking facilities (see note 10).

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these Financial Statements which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds, through funding from a banking facility at its ultimate parent company, Breedon Group plc ('the Group'), to meet its liabilities as they fall due for that period.

The Group meets day-to-day working capital and other funding requirements through banking facilities, arranged by the group, which include an overdraft facility. Longer term debt financing is accessed through the Group's USPP loan note programme. The facilities comprise a £350,000,000 multi-currency RCF, which runs to at least June 2025 and £250,000,000 of USPP loan notes with maturities between 2028 and 2036. Further details of these facilities are provided in the consolidated financial statements of Breedon Group plc.

The Group comfortably met all covenants in 2022 and other terms of its borrowing agreements in the period, and maintained a track record of profitability and cash generation, with an overall profit before taxation of £135,816,000 and net cash from operating activities of £168,023,000.

The Directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which show a sustained trend of profitability and cash generation, even under a 'severe but plausible' downside scenario of forecast cash flows.

Based on the above the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Subsidiary undertakings ("subsidiaries")

Investments in subsidiaries are stated at cost less amounts written off. Only dividends received are credited to the Company's profit and loss account.

3. DIRECTORS' REMUNERATION AND STAFF COSTS

Lagan Asphalt Group Limited

Notes to the Financial Statements - continued for the year ended 31 December 2022

The directors of the Company are also the directors of other Group companies. They do not consider that their duties in respect of the Company take up a significant proportion of their time, and consequently the fair value of their remuneration received in respect of services to this Company is deemed to be £nil (2021: £nil).

The company had no other employees in either the current or prior year.

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

2022	2021
£'000	£'000
-	3
<u>-</u>	<u>3</u>

The amounts payable to the auditors have been borne by a related group entity.

5. TAXATION

Analysis of tax expense

	2022	2021
	£'000	£'000
Current tax:		
Tax	-	2
	<u>-</u>	<u>2</u>
Total tax expense in statement of profit and loss and other comprehensive income	-	2
	<u>-</u>	<u>2</u>

Factors affecting the tax expense

The tax assessed for the year is the same as (2021 - higher) the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit before income tax	-	-
	<u>-</u>	<u>-</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	-	-
	<u>-</u>	<u>-</u>
Effects of:		
Adjustments in respect of prior periods	-	2
	<u>-</u>	<u>2</u>
Tax expense	-	2
	<u>-</u>	<u>2</u>

The company has no unrecognised deferred tax assets.

Future tax changes

Legislation was passed on 24 May 2021 which substantially enacted an increase in the UK corporation tax rate from 19 per cent to 25 per cent from April 2023.

Lagan Asphalt Group Limited

Notes to the Financial Statements - continued for the year ended 31 December 2022

6. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 January 2022	
and 31 December 2022	17
NET BOOK VALUE	
At 31 December 2022	17
At 31 December 2021	17

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Lagan Asphalt Limited

Registered office: Ireland

Nature of business: Road Surfacing

	%
Class of shares:	holding
Ordinary	100.00

Investment is held indirectly through Lagan Hibernian Limited

Lagan Materials Limited

Registered office: Ireland

Nature of business: Manufacture of construction materials

	%
Class of shares:	holding
Ordinary	100.00

Investment is held indirectly through Lagan Hibernian Limited

Lagan Hibernian Limited

Registered office: Ireland

Nature of business: Holding Company

	%
Class of shares:	holding
Ordinary	100.00

Lagan Asphalt (UK) Ltd

Registered office: Northern Ireland

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Joint ventures

Lagan Shwar International Limited

Registered office: Oman

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	50.00

Lagan Asphalt Group Limited

Notes to the Financial Statements - continued for the year ended 31 December 2022

6. INVESTMENTS - continued

Lagan-Al Ansari (MENA) W.W.L

Registered office: Qatar

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 25.00

Lagan Asphalt Group Ltd

Registered office: Liberia

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 50.00

The registered office address for all companies registered in Ireland is Rosemount Business Park, Ballycoolin Road, Dublin 11, D11 K2TP. The registered office address for Lagan Asphalt (UK) Ltd is 5 Blackwater Road, Newtownabbey, Northern Ireland, BT36 4TZ.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Amounts owed to group undertakings	9	-
Tax	-	9
	<u>9</u>	<u>9</u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £'000	2021 £'000
972,014	Ordinary	£0.01	<u>10</u>	<u>10</u>

9. RESERVES

	Retained earnings £'000
At 1 January 2022	493
Profit for the year	-
At 31 December 2022	<u>493</u>

10. CONTINGENT LIABILITIES

The Company has guaranteed the bank overdrafts and loans of Breedon Group plc and certain of its subsidiary undertakings which, at 31 December 2022, amounted to £253,000,000 (2021: £263,600,000).

11. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of Breedon Group plc and is exempt from the requirement to disclose transactions with its parent and fellow wholly owned subsidiary undertakings.

The Company's key management personnel are the Directors. Details of the Directors' remuneration are given in note 3.

Lagan Asphalt Group Limited

Notes to the Financial Statements - continued for the year ended 31 December 2022

12. POST BALANCE SHEET EVENTS

As part of Breedon's move from AIM to the Premium Segment of the Official List and to trading on the Main Market of the London Stock Exchange, Breedon undertook an internal restructuring exercise on 17 May 2023 which included the incorporation of a new parent undertaking for the Group and which consequently has become the ultimate parent company for the company. The new ultimate parent company is Breedon Group plc, a company incorporated and domiciled in England & Wales with registration number 14739556. Neither the financial results or position of the Company have been impacted by the change in ultimate parent company.

13. ULTIMATE PARENT UNDERTAKING

Breedon Holdings (Jersey) Limited a company incorporated in Jersey, is the Company's immediate parent undertaking. For the year ended 31 December 2022, the results of the Company are included within the consolidated results of Breedon Group plc, a company incorporated in Jersey with registration number 98465. Copies of these consolidated financial statements can be obtained from the Company Secretary, Breedon Group plc, Pinnacle House, Main Street, Breedon on the Hill, Derby, DE73 8AP.

Lagan Asphalt Group Limited
Detailed Profit and Loss Account
for the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Income		-		-
		<u> </u>		<u> </u>
NET PROFIT		-		-
		<u> </u>		<u> </u>

This page does not form part of the statutory financial statements