

Registered number: SC003848

LINDUSTRIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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LINDUSTRIES LIMITED

COMPANY INFORMATION

Directors	N Benning-Prince R C Dowley E A Gretton Dr C M Wendt
Company secretary	W F Rogers
Registered number	SC003848
Registered office	4th Floor Saltire Court 20 Castle Terrace Edinburgh EH1 2EN

LINDUSTRIES LIMITED

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LINDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors' present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The Company is a group investment holding company. It did not trade during the current or prior year and, therefore, the financial statements comprise the balance sheet and related notes only.

Future developments

The Directors anticipate that the Company will continue as a group investment holding company for the foreseeable future.

The impact of COVID-19 on UK businesses is changing on a daily basis and the measures being adopted by the UK Government could have a significant adverse impact for the foreseeable future. The Company is monitoring and managing the impact of this on a frequent basis.

Directors

The Directors who served during the year were:

N Benning-Prince
R C Dowley
E A Gretton
Dr C M Wendt

Directors' indemnity

A fellow group undertaking 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.

Post balance sheet events

The developments surrounding COVID-19 represent a non-adjusting post balance sheet event and are not reflected in the fair value of the investments shown in the financial statements. If the pandemic continues for a long period of time, there may be changes in the investment value. These would be reflected in the financial statements for the year ended 31 December 2020.

On 26 August 2020 the Company was assigned intercompany receivables due from Houserate Limited by several group companies, together totalling £10,889,000, to fully or partially settle their liabilities to the Company. In addition the Company assigned £147,275,000 of its receivable from Houserate Limited and £70,000 of its receivable from Hanson Building Materials Limited to settle £147,345,000 of its liabilities to group undertakings.

This is part of a wider plan to simplify the group structure in the UK.

This report was approved by the board on *10 September 2020* and signed on its behalf.



W F Rogers
Secretary

LINDUSTRIES LIMITED
REGISTERED NUMBER: SC003848

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	3	504	504
Current assets			
Debtors: amounts falling due within one year	4	193,155	193,155
Creditors: amounts falling due within one year	5	(149,128)	(149,128)
Net current assets		<u>44,027</u>	<u>44,027</u>
Net assets		<u><u>44,531</u></u>	<u><u>44,531</u></u>
Capital and reserves			
Called up share capital	6	6,952	6,952
Share premium account		4,674	4,674
Profit and loss account		32,905	32,905
Shareholders' funds		<u><u>44,531</u></u>	<u><u>44,531</u></u>

For the year ended 31 December 2019 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

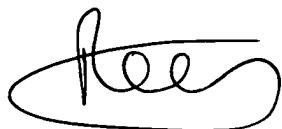
Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

10 September 2020



R C Dowley
Director

The notes on pages 3 to 7 form part of these financial statements.

LINDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Lindustries 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 thousand pounds (£'000).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The Company is part of the HeidelbergCement AG group and is included in the consolidated financial statements of HeidelbergCement 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 the HeidelbergCement AG group.

2.2 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.3 Going concern

The accounts have been prepared on a going concern basis as the Company is in a position to meet its obligations as they fall due. The recoverability of the Company's assets is dependent on the financial position of the HCAG group. The Directors believe the carrying value of assets are expected to be fully realised.

The impact of COVID-19 on global economic development is currently unpredictable, however HeidelbergCement AG has adopted COPE ('Covid-19 Contingency Plan Execution'), which is focussed on cost savings and has significant liquidity headroom as a result of actions already taken during its refinancing strategy. The Directors, having assessed the responses of the management of HCAG to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the HCAG group to continue as a going concern.

On the basis of their assessment of the Company's financial position and relevant enquiries the Directors have a reasonable expectation that the Company will be able to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

When shares are issued that create a financial liability of the Company they are presented as a liability in the Balance Sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss.

The Company's cumulative preference shares and preferred ordinary shares have been accounted for as equity (see note 6).

2.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 Profit and Loss Account.

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.

LINDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2019 and 31 December 2019	1,392
	<hr/>
Impairment	
At 1 January 2019 and 31 December 2019	888
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Net book value	
At 31 December 2019	504
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At 31 December 2018	504
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There is no impairment during the year as net assets exceed or equal the carrying value.

Subsidiary undertakings

The investments in which the Company held any class of share capital are as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Delmorgal Limited	England and Wales	Ordinary	100%	Group finance company
Imperial Seafoods Limited	England and Wales	Ordinary	100%	Group finance company
Imperial Foods Holdings Limited	England and Wales	Ordinary	100%	Group finance company
Industrial Del Fresno SA	Mexico	Ordinary	76%	Dormant
Lindustries (D) Limited	England and Wales	Ordinary	100%	Dormant

The registered office of Delmorgal Limited, Imperial Seafoods Limited and Imperial Foods Holdings Limited is Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ.

The registered office of Industrial Del Fresno SA is Callejon de San Antonio, San Miguel de Allende, 37700 Mexico.

The registered office of Lindustries (D) Limited is 1 Grosvenor Place, London, SW1X 7JH.

LINDUSTRIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****4. Debtors**

	2019 £000	2018 £000
Due within one year		
Amounts owed by group undertakings	<u>193,155</u>	<u>193,155</u>

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

5. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	<u>149,128</u>	<u>149,128</u>

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

6. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
19,007,032 (2018 - 19,007,032) ordinary shares of £0.25 each	4,752	4,752
1,100,000 (2018 - 1,100,000) 5% cumulative preference shares of £1.00 each	1,100	1,100
1,100,000 (2018 - 1,100,000) 6% preferred ordinary shares of £1.00 each	1,100	1,100
	<u>6,952</u>	<u>6,952</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Share capital (continued)

Holders of the cumulative preference shares have a priority entitlement to a fixed cumulative dividend of 5% per annum and, on a winding up, to receive repayment of all amounts paid up plus all dividend arrears accrued. However, no voting rights are attributable to these shares, except in certain circumstances outlined in the Company's articles of association.

Holders of the preferred ordinary shares are entitled to a fixed dividend of 6% per annum and, on a winding up, to receive a capital repayment, but only once the cumulative preference shareholders have received their full entitlement. No voting rights are attributable to these shares, except in certain circumstances outlined in the Company's articles of association.

The ordinary shareholders are entitled to one vote per share. However, their dividend and capital rights can only be exercised once the cumulative preference and preferred ordinary shareholders have received their entitlements.

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

The Directors have considered the accounting treatment of the 5% cumulative preference shares and the 6% preferred ordinary shares in relation to FRS102 Section 22: Liabilities and Equity, and are of the opinion that these shares are in substance equity instruments and are accordingly disclosed as share capital in the balance sheet.

7. Contingent liabilities

The Company has been notified of a number of claims from former employees in relation to alleged health related issues. The Directors do not consider it probable that an outflow of economic resources will be required by the Company to settle the obligation nor can the amount of any obligation be measured with sufficient reliability.

8. Post balance sheet events

The developments surrounding COVID-19 represent a non-adjusting post balance sheet event and are not reflected in the fair value of the investments shown in the financial statements. If the pandemic continues for a long period of time, there may be changes in the investment value. These would be reflected in the financial statements for the year ended 31 December 2020.

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This is part of a wider plan to simplify the group structure in the UK.

9. Ultimate parent undertaking and controlling party

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