

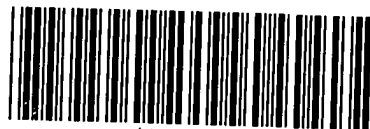
Registered number: 01104811

HANSON FINANCE (2003) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THURSDAY



AB4TYHNN

A06

26/05/2022

#197

COMPANIES HOUSE

HANSON FINANCE (2003) LIMITED

COMPANY INFORMATION

Directors	N Benning-Prince R C Dowley E A Gretton Dr C M Wendt (resigned 6 September 2021) A Quilez Somolinos (appointed 6 September 2021)
Company secretary	W F Rogers
Registered number	01104811
Registered office	Hanson House 14 Castle Hill Maidenhead SL6 4JJ
Independent auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

HANSON FINANCE (2003) LIMITED

CONTENTS

	Pages
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 19

HANSON FINANCE (2003) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activities and business review

The Company is a group investment holding company.

During the year the Company received preference dividends of £9,131,000 from a fellow group undertaking, V.E.A. Limited, and paid interest on amounts owed to fellow group undertakings.

Results and dividends

The loss for the year, after taxation, amounted to £796,000 (2020 - profit £2,765,000).

The Directors do not recommend payment of a final dividend (2020 - £nil).

Future developments

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

Going concern

The Company has limited activity outside of the HeidelbergCement AG ("HCAG") group and therefore its on-going activity is dependent on the operational activity of the HCAG 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, HCAG, has made an assessment on the impact of the Ukraine crisis. Whilst HCAG is not able to make a reliable forecast of the impact as a result of the Ukraine crisis, its financial statements for the year ended 31 December 2021 continue to be prepared on a going concern basis, whilst recognising that there will be volatility in energy markets ahead.

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 6 September 2021)
A Quilez Somolinos (appointed 6 September 2021)

Directors' indemnity

HeidelbergCement 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.

HANSON FINANCE (2003) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP having indicated their willingness to act will continue in office, as auditors of the Company, in accordance with section 487 of the Companies Act 2006.

Strategic Report exemption

The Company has taken advantage of section 414B of the Companies Act 2006 not to prepare a Strategic Report.

This report was approved by the board on 12 May 2022 and signed on its behalf.



W F Rogers
Secretary

HANSON FINANCE (2003) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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 the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 judgments and accounting 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;
- 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 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 also 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.

The Responsibilities Statement was approved by the board on 12 May 2022 and signed on its behalf.



W F Rogers
Secretary

Report on the audit of the financial statements

Opinion

In our opinion, Hanson Finance (2003) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON FINANCE (2003) LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also 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.

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 an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

HANSON FINANCE (2003) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON FINANCE (2003) LIMITED

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Inquiries of management in respect of any known or suspected instances of non compliance with laws and regulations and fraud

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

HANSON FINANCE (2003) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON FINANCE (2003) LIMITED

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Stuart Couch

Stuart Couch (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
Date: 16 May 2022

HANSON FINANCE (2003) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Administrative expenses		(4)	(138)
Exceptional items - Impairment of fixed asset investment	5	-	(50,000)
Operating loss	6	(4)	(50,138)
Income from fixed asset investments	7	9,131	62,853
Interest payable and expenses	8	(9,923)	(9,950)
(Loss)/profit before tax		(796)	2,765
Tax on (loss)/profit	9	-	-
(Loss)/profit for the financial year		(796)	2,765
Total comprehensive (expense)/income for the year		(796)	2,765

All amounts relate to continuing operations.

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

HANSON FINANCE (2003) LIMITED
REGISTERED NUMBER: 01104811

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	10	199,800	199,800
Current assets			
Debtors: amounts falling due within one year	11	442,034	442,035
Creditors: amounts falling due within one year	12	(204,005)	(203,210)
Net current assets		<u>238,029</u>	<u>238,825</u>
Net assets		<u>437,829</u>	<u>438,625</u>
Capital and reserves			
Called up share capital	13	1,000,000	1,000,000
Profit and loss account		(562,171)	(561,375)
Total equity		<u>437,829</u>	<u>438,625</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2022.



N Benning-Prince
Director

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

HANSON FINANCE (2003) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2020	1,000,000	(564,140)	435,860
Comprehensive income for the year			
Profit for the year	-	2,765	2,765
At 1 January 2021	1,000,000	(561,375)	438,625
Comprehensive expense for the year			
Loss for the year	-	(796)	(796)
At 31 December 2021	1,000,000	(562,171)	437,829

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

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 General information

Hanson Finance (2003) 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.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 (FRS101) 'Reduced Disclosure Framework' 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 principal accounting policies adopted by the Company are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.3 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- 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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 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 paragraph 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

This information is included in the consolidated financial statements of HeidelbergCement AG as at 31 December 2021 and these financial statements may be obtained from Berliner Strasse 6, D 69120 Heidelberg Germany.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.4 Going concern

The Company has limited activity outside of the HeidelbergCement AG ("HCAG") group and therefore its on-going activity is dependent on the operational activity of the HCAG 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, HCAG, has made an assessment on the impact of the Ukraine crisis. Whilst HCAG is not able to make a reliable forecast of the impact as a result of the Ukraine crisis, its financial statements for the year ended 31 December 2021 continue to be prepared on a going concern basis, whilst recognising that there will be volatility in energy markets ahead.

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.

1.5 Financial instruments

Financial assets

Financial assets are initially measured at fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss, transaction costs.

The Company's financial assets comprise amounts owed by group undertakings.

Financial assets are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The ECL required for other debt instruments is determined using a three stage model.

- At the initial recognition of the financial asset an expected credit loss provision is recorded for the twelve month period following the reporting date. Any interest revenue is calculated on the gross carrying amount of the financial asset.
- If the credit risk of that financial instrument has increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is recorded. Any interest revenue is calculated on the gross carrying amount of the financial asset. Should the significant increase in credit risk reverse within subsequent reporting periods then the expected credit losses on the financial instrument revert to being measured based on an amount equal to the twelve month expected credit losses.
- If objective evidence of impairment exists, a loss allowance for full lifetime expected credit losses is recognised. Any interest revenue is calculated on the net carrying amount of the financial asset.

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.5 Financial instruments (continued)

Financial liabilities

Financial liabilities are initially measured at fair value and, in the case of loans and borrowing and payables, net of directly attributable transactions costs.

The Company's financial liabilities include amounts owed to group undertakings.

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This 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 amortised cost of a financial liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.6 Investments

Investments in subsidiaries are held at cost less provision for impairment.

1.7 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

1.8 Foreign currency translation

Transactions in foreign currencies are recorded at the rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are recognised in the Statement of Comprehensive Income.

1.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.10 Interest bearing loans and borrowings

All interest bearing loans and borrowings are initially recognised as net proceeds. After initial recognition, debt is increased by the finance cost in respect of the reporting period and reduced by payment made in respect of debt in the period.

1.11 Exceptional Items

The Company presents as exceptional items those material items of income and expense which, because of their nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Impairment of investments

The Company reviews investments in subsidiaries for impairment if there are any indications that the carrying values may not be recoverable. The carrying value of the investment is compared to the recoverable amount and where a deficiency exists, an impairment charge is considered by management.

The recoverable amount represents the net assets of the investment at the time of the review or where applicable is represented by an estimate of future cash flows expected to arise from the investment. A suitable discount rate is applied to the future cash flows in order to calculate the present value.

Reversals of impairments are recognised where there is a favourable change in the economic assumptions in the period since the provision was made.

Recoverability of amounts owed by group undertakings

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

3. Staff costs

The average monthly number of employees, including the Directors, during the year was nil (2020 - nil).

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £1,063,000 (2020 - £918,000), which was paid by various fellow subsidiaries. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

4. Auditors' remuneration

Fees for audit services have been borne by other group undertakings. It is not practicable to ascertain what proportion of such fees relates to the Company.

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Exceptional items

	2021 £000	2020 £000
Impairment of fixed asset investment	-	50,000

In the prior year, the Company partially impaired the investment in Marnee Limited to bring the carrying value of the investment in line with the underlying net assets.

6. Operating loss

The operating loss is stated after crediting/(charging):

	2021 £000	2020 £000
Exchange differences	-	(128)

7. Income from investments

	2021 £000	2020 £000
Preference dividends receivable	9,131	9,156
Ordinary dividends receivable	-	53,697
	9,131	62,853

Preference dividends were received from its investment in V.E.A Limited.

In the prior year, ordinary dividends receivable were received from its investment in Marnee Limited.

8. Interest payable and similar expenses

	2021 £000	2020 £000
Interest payable to group undertakings	9,923	9,950

9. Taxation

	2021 £000	2020 £000
Current tax		
Current tax on (loss)/profit for the year	-	-
Total current tax	-	-

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Taxation (continued)

Reconciliation of the tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19.00% (2020 -19.00%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit before tax	(796)	2,765
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19.00% (2020 -19.00%)	(151)	526
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	9,500
Dividends from UK companies	(1,735)	(11,942)
Group relief	1,422	1,230
Transfer pricing adjustments	464	686
Total tax charge for the year	-	-

Change in corporation tax rate

The main rate of corporation tax increases from 19% to 25% on 1 April 2023.

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Fixed asset investments

	Investment in subsidiary undertaking £000	Other fixed asset investment £000	Total £000
Cost			
At 1 January 2021 and 31 December 2021	50,000	199,800	249,800
Impairment			
At 1 January 2021 and 31 December 2021	50,000	-	- 50,000
Net book value			
At 31 December 2021	-	199,800	199,800
At 31 December 2020	-	199,800	199,800

There is no impairment during the year as net assets exceed or equal the carrying value.

Investments

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

Name	Country of incorporation		Holding	Principal activity
Marnee Limited	England and Wales	Ordinary	100%	Dormant
V.E.A. Limited*	Guernsey	B Preference	100%	Investment holding company

* UK Establishment registered.

The registered office of Marnee Limited is Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ.

The registered office of V.E.A. Limited is P.O. Box 280, 22 Havilland Street, St. Peter Port, Guernsey, GY1 2QB.

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

11. Debtors

	2021 £000	2020 £000
Due within one year		
Amounts owed by group undertakings	442,034	442,035

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

12. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	204,005	203,210

Amounts owed to group undertakings include a loan of £199,800,000 (2020 - £199,800,000) which accrues interest at 4.96%.

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other inter-bank offered rates ('IBORs') has become a priority for global regulators. Included within amounts owed by group undertakings is an amount of £3,288,000 (2020 - £2,492,000) which is unsecured, repayable on demand and accrues interest at overnight GBP LIBOR + 0.4% (2020 - overnight LIBOR + 0.45%) which is yet to transition to SONIA (Sterling Overnight Index Average).

SONIA replaced GBP LIBOR on 1 January 2022. There are key differences between GBP LIBOR and SONIA. GBP LIBOR is a 'term rate', which means that it is published for a borrowing period (such as three months or six months) and is 'forward looking', because it is published at the beginning of the borrowing period. SONIA is a 'backward-looking' rate, based on overnight rates from actual transactions, and it is published at the end of the overnight borrowing period. Furthermore, LIBOR includes a credit spread over the risk-free rate, which SONIA currently does not. To transition existing contracts and agreements that reference GBP LIBOR to SONIA, adjustments for term differences and credit differences will need to be applied to SONIA, to enable the two benchmark rates to be economically equivalent on transition.

The replacement of LIBOR is not expected to materially impact the financial statements of the entity when adopted in 2022. No other changes to the terms of the floating-rate instruments are anticipated.

The remaining balance is interest free. All amounts are unsecured and repayable on demand.

13. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
1,000,000,000 (2020 - 1,000,000,000) ordinary shares of £1 each	1,000,000	1,000,000

HANSON FINANCE (2003) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries in the group headed by HeidelbergCement AG. Balances outstanding at 31 December with related parties, are as follows:

	2021 £000	2020 £000
Amounts owed by indirect parent undertaking	441,770	441,770
Amounts owed by fellow group subsidiary undertakings	14	15
Amounts owed by direct subsidiary undertaking	250	250
Amounts owed to ultimate parent undertaking	(3,288)	(2,492)
Amounts owed to fellow group subsidiary undertakings	(200,717)	(200,718)
	<u>238,029</u>	<u>238,825</u>

15. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Hanson Financial Services 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.