

Registered number: 04020668

BIRCHWOOD OMNIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

BIRCHWOOD OMNIA LIMITED

COMPANY INFORMATION

Directors E A Gretton
N Benning-Prince
R C Dowley
A Quilez Somolinos

Company secretary W F Rogers

Registered number 04020668

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Independent auditors PricewaterhouseCoopers LLP
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BIRCHWOOD OMNIA LIMITED

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BIRCHWOOD OMNIA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review

The Company is a group investment holding company.

On 24 June 2022 the Company received a gross dividend of IDR938,740,431,500 (£51,047,000) from its subsidiary PT Indocement Tunggal Prakarsa Tbk.

On 22 December 2022 the Company paid a dividend of £100,000,000 to its immediate parent undertaking.

The Company also partially released the impairment against its investment in HeidelbergCement UK Limited by £254,827,000 to bring the carrying value in line with the present value of the estimated future cashflows of the Company's indirect subsidiary, Castle Cement Limited. This has been treated as an exceptional item.

Section 172(1) Statement

The primary purpose of the Company is that of a group investment holding company. The overall objective of the Directors is to maximise shareholder and stakeholder value whilst working to a sustainable long-term business model. The Directors work to ensure the business strategy and objectives of the Company are aligned with that of the Group. As a group investment holding company, the Company has limited stakeholders having no customers, suppliers or employees.

During the year, the Company declared a dividend of £100,000,000 to repatriate surplus funds no longer required by the business to its shareholder. Prior to undertaking such steps the Company actively engaged with its shareholder to agree an appropriate course of action.

Principal risks and uncertainties

The Company's results arise from transactions with fellow group undertakings in the group headed by Heidelberg Materials AG (formerly HeidelbergCement AG). The Directors are therefore of the opinion that, with the exception of foreign currency risk, the Company is not directly exposed to significant risks and uncertainties, however, by the very nature of its activities the Company is indirectly exposed to similar risks and uncertainties to those faced by other group undertakings. Details of the principal risks and uncertainties facing the group headed by Heidelberg Materials AG are disclosed in the financial statements of that company.

Foreign exchange risk

The Company is exposed to foreign exchange risk in respect of its investment in its subsidiary undertakings. These are not hedged. Significant fluctuations in foreign currency rates could potentially result in future impairment charges. The foreign exchange exposure on dividends receivable is reduced by entering into foreign currency contracts for the amounts receivable.

Discount rate risk

The carrying value of the Company's investment is supported in part by the present value of future cashflows of the Company's operating subsidiaries. The present value is calculated by applying an appropriate discount rate to future cashflow. Discount rates are subject to changes in macro-economic conditions, particularly interest rates. Changes in interest rates could lead to changes in the discount rate used to calculate the present value and may result in future impairment charges.

This report was approved by the board on 26 September 2023 and signed on its behalf.



W F Rogers
Secretary

BIRCHWOOD OMNIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £301,631,000 (2021 - loss £149,675,000).

During the year the Company paid an interim dividend of £100,000,000 (2021 - £nil).

The Directors do not recommend the payment of a final dividend (2021 - £nil).

Post balance sheet events

On 8 June 2023 the Company received a gross dividend of IDR300,396,938,080 (£16,154,492) from its subsidiary PT Indocement Tunggai Prakarsa Tbk.

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 Heidelberg Materials AG group and therefore its on-going activity is dependent on the operational activity of the Heidelberg Materials AG group.

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

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

Directors

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

E A Gretton
N Benning-Prince
R C Dowley
A Quilez Somolinos

BIRCHWOOD OMNIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Engagement with employees

The Company has no employees. This report therefore summarises the engagement with employees of the Company's UK subsidiaries.

The Company takes a number of measures to ensure proactive and meaningful engagement with its workforce - this applies to all employees and all companies within Hanson UK.

Hanson UK values engagement with its workforce, as a key stakeholder. The engagement takes place on many different levels, using a variety of formal and informal measures, which facilitates two-way dialogue to ensure employees have a direct voice to the executive team.

An employee forum has been established, with 11 active employee representatives representing the various business lines and staff functions. Historically, the forum met once a year with additional meetings held at the request of either the employee representatives or management. However weekly meetings with the employee forum were held from the start of the COVID-19 crisis to keep the representatives abreast of changing policies, business impact and performance with the forum members raising questions and providing feedback on behalf of their constituents. Following the pandemic it was agreed that more regular contact had been both beneficial and essential and that fortnightly meetings should now continue to be held to most effectively utilise the forum.

Four members of the forum also sit on the ultimate parent company's European Works Council, which the Directors believe represents a positive opportunity for the UK workforce to make its voice heard directly at the level of the ultimate parent company.

The employee forum acts as a key information and discussion channel between employees and executive management. At the September 2022 meeting, Hanson UK's chief executive officer (CEO), together with business line managing directors, provided detailed updates on health and safety progress and related improvement plans, on sustainability and our commitment to achieving carbon neutrality, on business performance and market outlook, as well as on the core objectives of our strategy.

Employee representatives raised numerous points of discussion during the meeting, with employees invited to anonymously submit questions in advance. These processes lead to a combination of management commitments, reviews and explanations on a wide range of safety, environmental, operational and commercial matters. Minutes are taken which are published on the Hanson UK intranet, together with the questions and answers. The Directors believe that the employee forum provides a positive and transparent means of engaging with the workforce as a key stakeholder, in the interests of the long-term sustainability of the Company and its operations.

In addition to the employee forum, the CEO delivers a national leadership communication roadshow each year. These take the form of informal town hall talks, with the CEO providing detailed updates to staff regarding business performance, strategy and the priorities for the year ahead, as well as giving the workforce the opportunity to put questions directly to the senior management in attendance.

Other measures to facilitate effective engagement with employees include the use of regular business update videos by executive management, as well as the quarterly publication of Hanson UK's Team magazine, which is sent to every employee's home address, and includes regular updates through the year on business performance and strategy. Hanson UK's Team magazine also communicates to employees the many positive measures Hanson UK takes to support our local communities as key stakeholders in the context of the long-term sustainability of our operations.

Additionally in November 2022 Hanson UK email accounts were rolled out to all blue-collar operational staff which has now given them access to all our digital communications, thereby improving our communication channels and allowing engagement with the wider workforce.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Engagement with employees (continued)

The Directors also value the consultations undertaken with trade unions, setting out detailed business performance updates when meeting with them. Driver forums have also been established, allowing focused engagement and briefings with the personnel in the supply chain. The Head of Human Resources supervises all of these processes and as a member of the Hanson UK executive team reports back on a monthly basis on feedback received from employees and on how the Company's values and culture are embedded within the workforce. Employee surveys have also been carried out periodically as a further means of monitoring the culture and values within our workforce, leading to the development of plans for managers to address feedback received. The 2022 employee survey showed a 5% further increase in employee engagement from 68% to 73%. The results were cascaded throughout the organisation and action plans are developed and implemented within each business line as well as Hanson UK. The next survey will be carried out in May 2024.

Hanson UK values the importance of visible leadership in managing all its operations. This involves executive management regularly attending site, to lead by example and engage with staff with regard to the vision, values and culture of Hanson UK, in order to ensure the health and safety of our employees and to monitor the degree to which our values are embedded within our operations.

A further component of engagement with employees is the annual Hanson UK return to work carried out on the first working day of the New Year, with a Back to Work safety stand down before the year's operations commenced, in order to cascade the 2022 year end performance and to communicate the plans for 2023. Each business line has put in place health and safety improvement plans which cover a range of topics throughout the year.

To continue to support our commitments to Health and Wellbeing a new Health and Wellbeing Specialist role was introduced in 2022 to assist with strategy planning, communication and engagement in this area. There are regular email circulations, lunch and learn sessions concerning Wellbeing topics and a published calendar of events for the year.

The health and wellbeing of employees are priorities which impact the success of the business. The steering group advocates mental and physical wellness for everyone at Hanson UK and encourages employees from all operations to become involved. Specialist Start the Conversation training is provided to line managers and supervisors and the Company works closely with the charity Mates in Mind to raise awareness of mental health issues among staff and provide mental health first aid training, so that managers feel able to recognise warning signs and ensure support. Additionally, over 150 mental health first aiders have been trained across the business and refresher training and coaching provided to ensure our first aiders are supported and their skills are kept up to date.

Hanson UK is committed to being a fair, inclusive, and respectful business, whilst raising awareness of key challenges both internally and across the industry. To implement this commitment, we have a Fairness, Awareness, Inclusion and Respect (FAIR) committee. Led by a member of the executive board and made up from a range of diverse backgrounds the committee shape our strategy and promote the business as a place where anyone, regardless of gender, background, age, ethnicity, disability or sexual orientation feels welcome and able to have a successful career.

In addition to the FAIR committee, there are now two employee networks: Network of Women (NOW) and the LGBT+ network. The Network of Women continues to be supported and is growing with fortnightly committee meetings held to monitor progress. The network host regular 'lunch and learn' sessions which are open to anyone in the business.

Since the launch of the LGBT+ committee in September 2021 the network has grown to include a wider range of employees. The network provides a community space for LGBT+ people and allies to communicate and share their experiences and provides peer to peer support for all persons.

BIRCHWOOD OMNIA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Engagement with employees (continued)

To further embed Inclusion and Diversity, 25 Inclusion Champions have now been trained. The role of the Inclusion Champion is to be a visible point for questions, queries and situations involving diversity and inclusion, as well as to escalate issues or questions to the FAIR committee. They are role models for positive inclusion practice, promoting all aspects of diversity, inclusion and equality in the workplace. They also educate and demonstrate on appropriate constructively challenging non-inclusive situations including the use of toolbox talk sessions.

Employees are provided with an occupational health program that includes annual and biennial medicals depending on job profile. An Employee Assistance Programme (EAP) provides employees with immediate access to confidential 24-hour telephone counselling and support. The helpline is available to support all Hanson UK employees and provides support through work and life issues and problems arising, ranging from legal to medical, stress and general health, fitness and wellbeing advice. The EAP is completely confidential, with high level statistical information relating to usage level being passed to management for periodic review.

Hanson UK's values are also underpinned by a broad range of policies ranging from management responsibilities and matters of legal compliance, to dignity at work and ensuring fairness, inclusion and respect in the workplace at all times. Where employees do not feel able to express concerns within the structure of reporting lines, an online reporting platform has been established to provide employees with an opportunity to address any compliance related concerns and matters of potential policy transgression, within a safe and protected process; issues raised are reviewed and investigated, with reporting back to the Hanson UK executive team.

The various measures described in this report are reviewed by the Hanson UK executive team and the Company believes that collectively they allow for a strong level of communication and engagement with employees.

Directors' indemnity

Heidelberg Materials AG has indemnified, by means of directors' and officers' liability insurance, one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the Directors' Report.

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

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.

BIRCHWOOD OMNIA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 26 September 2023 and signed on its behalf.

Wendy F Rogers

W F Rogers
Secretary

BIRCHWOOD OMNIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

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, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 26 September 2023 and signed on its behalf.



W F Rogers
Secretary

Report on the audit of the financial statements

Opinion

In our opinion, Birchwood Omnia Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 and as at 31 December 2022; 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 BIRCHWOOD OMNIA 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 Strategic report and 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.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 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 Strategic report and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRCHWOOD OMNIA 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
- Challenging management on key accounting estimates and auditing the assumptions to supporting third party documentation where applicable.

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.

BIRCHWOOD OMNIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRCHWOOD OMNIA LIMITED

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
27 September 2023

BIRCHWOOD OMNIA LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Administrative expenses		(327)	(284)
Exceptional items - Release of impairment/(impairment) of fixed asset investments	10	254,827	(191,427)
Operating profit/(loss)		<u>254,500</u>	<u>(191,711)</u>
Income from fixed assets investments	5	51,047	46,927
Interest receivable and similar income	6	1,769	368
Interest payable and similar expenses	7	(580)	(566)
Profit/(loss) before tax		<u>306,736</u>	<u>(144,982)</u>
Tax on profit/(loss)	8	(5,105)	(4,693)
Profit/(loss) for the financial year		<u><u>301,631</u></u>	<u><u>(149,675)</u></u>
Total comprehensive income/(expense) for the year		<u><u>301,631</u></u>	<u><u>(149,675)</u></u>

All amounts relate to continuing operations.

The notes on pages 15 to 23 form part of these financial statements.

BIRCHWOOD OMNIA LIMITED
REGISTERED NUMBER: 04020668

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	11	1,160,894	906,067
Current assets			
Debtors: amounts falling due within one year	12	9,788	62,975
Creditors: amounts falling due within one year	13	(80)	(71)
Net current assets		<u>9,708</u>	<u>62,904</u>
Net assets		<u><u>1,170,602</u></u>	<u><u>968,971</u></u>
Capital and reserves			
Called up share capital	14	100	100
Share premium account		182,168	182,168
Profit and loss account		988,334	786,703
Total equity		<u><u>1,170,602</u></u>	<u><u>968,971</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2023.



N Benning-Prince
 Director

The notes on pages 15 to 23 and Appendix I form part of these financial statements.

BIRCHWOOD OMNIA LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2021	100	182,168	936,378	1,118,646
Comprehensive expense for the year				
Loss for the year	-	-	(149,675)	(149,675)
At 1 January 2022	100	182,168	786,703	968,971
Comprehensive income for the year				
Profit for the year	-	-	301,631	301,631
Contributions by and distributions to owners				
Dividend paid	-	-	(100,000)	(100,000)
At 31 December 2022	100	182,168	988,334	1,170,602

The notes on pages 15 to 23 form part of these financial statements.

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

1. Accounting policies

1.1 General information

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

The Company is 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 requirements of paragraphs 91-99 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;
- 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
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Heidelberg Materials AG as at 31 December 2022 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 2022**

1. Accounting policies (continued)

1.4 Going concern

The Company has limited activity outside of the Heidelberg Materials AG ("HMAG") group and therefore its on-going activity is dependent on the operational activity of the HMAG 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, HMAG, has made an assessment of identifiable risks on their global business activities, including the on-going impact of the Ukraine crisis, the volatility in energy and raw materials markets, inflationary pressures, rising interest rates and the overarching impact these factors have on construction and consumer markets, and continues to operate on a going concern basis.

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

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.

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

1. Accounting policies (continued)

1.5 Financial instruments (continued)

Impairment of financial assets (continued)

- 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.

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 comprise other payable amounts.

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 historical 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 Dividend income

Income is recognised when the Company's right to receive payment is established.

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

1. Accounting policies (continued)

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

1.10 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.

1.11 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

1.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

Impairment of investments

The Company reviews investments in subsidiaries and other investments 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. 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.

BIRCHWOOD OMNIA LIMITED

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

4. Staff costs

The average monthly number of employees, including the Directors, during the year was nil (2021 - nil).

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £967,000 (2021 - £963,000), 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.

5. Income from investments

	2022 £000	2021 £000
Income from fixed asset investments	51,047	46,927

During the year the Company received a gross dividend of IDR 938,740,431,500 (£51,047,000) from its subsidiary PT Indocement Tunggal Prakarsa Tbk.

In the prior year the Company received a gross dividend of IDR 938,740,431,500 (£46,927,000) from its subsidiary PT Indocement Tunggal Prakarsa Tbk.

6. Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from group companies	1,303	19
Foreign exchange gain on dividend receivable	466	349
	<u>1,769</u>	<u>368</u>

7. Interest payable and similar expenses

	2022 £000	2021 £000
Interest payable on foreign exchange forward contracts	35	117
Foreign exchange loss on forward contracts	545	449
	<u>580</u>	<u>566</u>

BIRCHWOOD OMNIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****8. Taxation**

	2022	2021
	£000	£000
Current income tax		
Current UK Corporation tax on profits for the year	-	-
Foreign tax		
Foreign tax on income for the year	5,105	4,693
Total current tax	<u>5,105</u>	<u>4,693</u>

Reconciliation of the tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit/(loss) before tax	306,736	(144,982)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	58,280	(27,547)
Effects of:		
Expenses not deductible for tax purposes	-	36,371
Non-taxable income	(58,205)	(8,983)
Non-recoverable withholding tax	5,105	4,693
Group relief	(75)	159
Total tax charge for the year	<u>5,105</u>	<u>4,693</u>

Change in corporation tax rate

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

9. Dividends

	2022	2021
	£000	£000
Dividend paid	<u>100,000</u>	<u>-</u>

BIRCHWOOD OMNIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Exceptional items**

	2022	2021
	£000	£000
Release of impairment in value of fixed asset investments	254,827	-
Impairment of fixed asset investments	-	(191,427)
	<u>254,827</u>	<u>(191,427)</u>

During the year, the Company partially released the impairment against its investment in HeidelbergCement UK Limited by £254,827,000 to bring the carrying value in line with the present value of the estimated future cashflows of the Company's indirect subsidiary, Castle Cement Limited.

In the prior year, the Company partially impaired its investment in HeidelbergCement UK Limited by £191,427,000 to bring the carrying value in line with the present value of the estimated future cashflows of the Company's indirect subsidiary, Castle Cement Limited.

11. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2022 and 31 December 2022	1,670,536
Impairment	
At 1 January 2022	764,469
Reversal of impairment losses	(254,827)
At 31 December 2022	<u>509,642</u>
Net book value	
At 31 December 2022	<u>1,160,894</u>
At 31 December 2021	<u>906,067</u>

During the year, the Company partially released the impairment against its investment in HeidelbergCement UK Limited by £254,827,000 to bring the carrying value in line with the present value of the estimated future cashflows of the Company's indirect subsidiary, Castle Cement Limited.

BIRCHWOOD OMNIA LIMITED

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

11. Fixed asset investments (continued)

Direct subsidiary undertakings

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

Name	Country of incorporation	Class of shares	Holding	Principal activity
PT Indocement Tunggol Prakarsa Tbk	Indonesia	Ordinary	51%	Cement production
HeidelbergCement Euro I Limited	England and Wales	Ordinary	100%	Dormant
HeidelbergCement UK Limited	England and Wales	Ordinary	100%	Investment holding company

The registered office of PT Indocement Tunggol Prakarsa Tbk is Jl. Jenderal Sudirman Kav. 70-71, Wisma Indocement 13th floor, Jakarta, 12910, Indonesia.

The registered office of HeidelbergCement Euro I Limited and HeidelbergCement UK Limited was Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ. After the year end the registered office of HeidelbergCement Euro I Limited and HeidelbergCement UK Limited moved to Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.

After the year end, HeidelbergCement Euro I Limited changed its name to Heidelberg Materials Limited.

A full listing of indirectly held investments is presented in Appendix I.

12. Debtors

	2022 £000	2021 £000
Due within one year		
Amounts owed by group undertakings	9,788	62,975

Amounts owed by group undertakings is an amount of £9,788,000 (2021 - £62,975,000) which is unsecured, repayable on demand and accrues interest at overnight SONIA (2021 - overnight GBP LIBOR). GBP LIBOR was replaced by SONIA on 1 January 2022.

13. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Accruals and deferred income	80	71

BIRCHWOOD OMNIA LIMITED

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

14. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
100,000 (2021 - 100,000) ordinary shares of £1 each	100	100

The Company has no authorised share capital limit.

15. 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 Heidelberg Materials AG. Balances outstanding at 31 December with related parties, are as follows:

	2022 £000	2021 £000
Amounts owed by ultimate parent undertaking	9,788	62,975

16. Post balance sheet events

On 8 June 2023 the Company received a gross dividend of IDR300,396,938,080 (£16,154,492) from its subsidiary PT Indocement Tungal Prakarsa Tbk.

17. Ultimate parent undertaking and controlling party

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

BIRCHWOOD OMNIA LIMITED
**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2022**

Name	Country of incorporation	Group ownership %	Registered office
Castle Building Products Limited	England and Wales	100	*
Castle Cement (Chatburn) Limited	England and Wales	100	*
Castle Cement (Clyde) Limited	England and Wales	100	*
Castle Cement (Ketton) Limited	England and Wales	100	*
Castle Cement (Padeswood) Limited	England and Wales	100	*
Castle Cement (Pitstone) Limited	England and Wales	100	*
Castle Cement (Ribblesdale) Limited	England and Wales	100	*
Castle Cement Limited	England and Wales	100	*
Castle Lime Limited	England and Wales	100	*
Castle Pension Scheme Trustees Limited	England and Wales	100	*
Chemical Manufacture and Refining Limited	England and Wales	100	*
CSPS Trustees Limited	England and Wales	100	*
Ketton Cement Limited	England and Wales	100	*
Mantle & Llay Limited	England and Wales	100	*
Minster Quarries Limited	England and Wales	100	*
PT Bahana Indonor	Indonesia	51	Wisma Indocement 8th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Bhakti Sari Perkasa Abadi	Indonesia	51	Jl. Mayor Oking Jayaatmadja, RT 02, RW 05, Puspanegara Sub District, Citeureup District, 16810 Bogor Regency, Indonesia
PT Cibinong Center Industrial Estate	Indonesia	26	Kp. Pasir Tangkil RT/RW 013/005, Bantarjati - Klapanunggal, 16820 Bogor, Indonesia

BIRCHWOOD OMNIA LIMITED**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2022**

Name	Country of incorporation	Group ownership %	Registered office
PT Cipta Armada Bersama	Indonesia	51	Sungai Aleng RT 001 RW 011, 29439 Batam, Indonesia
PT Dian Abadi Perkasa	Indonesia	51	Wisma Indocement 14th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Indomix Perkasa	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Jaya Berdikari Cipta	Indonesia	25	Jln. Raya Mayor Oking Jayaatmaja, Citeureup Sub District, Citeureup District, 16810 Bogor, Indonesia
PT Kencana Terang Sejahtera	Indonesia	51	Podomoro City Ruko Garden Shopping Arcade, Blok B/8 DH, Jl. Letjen S. Parman Kav. 28, 11470 Jakarta, Indonesia
PT Lentera Abadi Sejahtera	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Lintas Bahana Abadi	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Makmur Abadi Perkasa Mandiri	Indonesia	51	Wisma Indocement 8th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Makmur Lestari Abadi	Indonesia	51	Jl. Tanah Abang I No. 11 F, Kelurahan Petojo Selatan, Kec. Gambir, Kota, 10610 Jakarta, Indonesia
PT Makmur Lestari Indonesia	Indonesia	51	Jl. Tanah Abang I No. 11 F, Kelurahan Petojo Selatan, Kec. Gambir, Kota, 10610 Jakarta, Indonesia
PT Makmur Lestari Sentosa	Indonesia	51	Jl. Tanah Abang I No. 11 F, Kelurahan Petojo Selatan, Kec.

BIRCHWOOD OMNIA LIMITED**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2022**

Name	Country of incorporation	Group ownership %	Registered office
			Gambir, Kota, 10610 Jakarta, Indonesia
PT Mandiri Sejahtera Sentra	Indonesia	51	Kp. Cikakak RT/RW 009/005, Kelurahan Sukamulya, Kecamatan Tegalwaru, 41165 Purwakarta, Indonesia
PT Mineral Industri Sukabumi	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Multi Bangun Galaxy	Indonesia	51	Jl. Pelabuhan Lembar, Desa Lembar, Persiapan Lembar, Lembar Sub District, Lembar District, West Lombok Regency, 83364 Lombok, Indonesia
PT Pama Indo Mining	Indonesia	20	Jalan Rawa Gelam I No. 9, Kawasan Industri Pulogadung, 13930 Jakarta, Indonesia
PT Pionirbeton Industri	Indonesia	51	Wisma Indocement 8th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Sahabat Muliasakti	Indonesia	51	Jl. Raya Pati - Kayen Km. 3, Desa Panjunan Kabupaten Pati, Jawa Tengah, 59116 Pati, Indonesia
PT Sari Bhakti Sejati	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
PT Semesta Perkasa Cipta	Indonesia	51	Kp. Pasir Tangkil RT/RW 013/005, Bantarjati - Klapanunggal, 16820 Bogor, Indonesia
PT Sinar Sakti Agung	Indonesia	51	Ruko Crown Palace Blok D No. 15, Jl. Prof. Dr. Soepomo, 12870 Jakarta, Indonesia
PT Tarabatuh Manunggal	Indonesia	51	Kp. Joglo RT/RW 04/04, Desa Cipinang Kecamatan Rumpin, Kab., Bogor, Indonesia
PT Terang Prakarsa Cipta	Indonesia	51	Jl. Imam Bonjol No. 08, Petisah Tengah Sub District, Medan

BIRCHWOOD OMNIA LIMITED

**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2022**

Name	Country of incorporation	Group ownership %	Registered office
			Petisah District, 20112 Medan, Indonesia
PT Tigaroda Rumah Sejahtera	Indonesia	51	Wisma Indocement 4th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, , 12910 Jakarta, Indonesia
PT Tiro Abadi Perkasa	Indonesia	51	Wisma Indocement 13th floor, Jl. Jenderal Sudirman kav. 70-71, Setia Budi Sub District, Setia Budi District, 12910 Jakarta, Indonesia
Scancem Energy and Recovery Limited	England and Wales	100	*
Scancem Recovery Limited	England and Wales	100	*
Solrec Limited	England and Wales	100	*
Thistleton Quarries Limited	England and Wales	100	*
Tunnel Cement Limited	England and Wales	100	*

* The registered office of the investments as at 31 December 2022 was Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ. After the year end, the registered office of these investments was changed to Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.