

Registered number: 02201396

# **HEIDELBERG MATERIALS CEMENT HOLDING LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

## **HEIDELBERG MATERIALS CEMENT HOLDING LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	N Benning-Prince R C Dowley E A Gretton S L Willis A Quilez Somolinos
<b>Company secretary</b>	W F Rogers
<b>Registered number</b>	02201396
<b>Registered office</b>	Second Floor Arena Court Crown Lane Maidenhead Berkshire SL6 8QZ
<b>Independent auditor</b>	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 OFR

## **HEIDELBERG MATERIALS CEMENT HOLDING LIMITED**

### **CONTENTS**

	<b>Pages</b>
<b>Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 5</b>
<b>Directors' Responsibilities Statement</b>	<b>6</b>
<b>Independent Auditor's Report</b>	<b>7 - 10</b>
<b>Statement of Comprehensive Income</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12</b>
<b>Statement of Changes in Equity</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 20</b>

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

#### Business review

The Company is a group investment holding company.

During the year the Company received a dividend of £31,500,000 from its subsidiary, Castle Cement Limited.

#### Section 172 Companies Act Statement

The primary purpose of the Company is that of 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 £31,500,000 to its shareholder to repatriate the surplus cash not 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. The Directors are therefore of the opinion that the Company is not directly exposed to significant risks and uncertainty; however, by the very nature of its activities, the Company is indirectly exposed to similar risks and uncertainties to those faced by other group companies. Details of the proposed risks and uncertainties facing the group headed by Heidelberg Materials AG are disclosed in the financial statements of that Company.

This report was approved by the board on 16 July 2025 and signed on its behalf.



**W F Rogers**  
Secretary

## **HEIDELBERG MATERIALS CEMENT HOLDING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024**

The Directors present their report and the audited financial statements for the year ended 31 December 2024.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £31,500,000 (2023 - £10,500,000).

An interim dividend of £31,500,000 (2023 - £10,500,000) was paid during the year. The Directors do not recommend payment of a final dividend (2023 - £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 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 geopolitical instability in Ukraine and the Middle East and other political uncertainties; energy and raw material market volatility; persistent inflationary pressures; proposed tariffs; relatively high interest rates and the overarching impact these factors have on construction and consumer markets. The ultimate parent undertaking 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.

#### **Engagement with employees**

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

The Company's UK subsidiaries take a number of measures to ensure proactive and meaningful engagement with its workforce - this applies to all employees and all companies within Heidelberg Materials UK.

Heidelberg Materials 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 13 active employee representatives representing the various business lines and staff functions. The forum meets fortnightly and is chaired by the Head of Human Resources or Senior HR Business Partner.

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.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Engagement with employees (continued)**

The employee forum acts as a key information and discussion channel between employees and executive management. At the September 2024 meeting, Heidelberg Materials UK's chief executive officer (CEO), together with business line managing directors, provided detailed updates on business line specific activities, business performance and markets, health and safety progress, digital and our new people plan.

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 Heidelberg Materials 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. In addition, core business areas have a stall with representatives from across the business discussing their priorities for 2024 and beyond, and engaging on any challenges, issues or other matters employees would like to get feedback on.

Other measures to facilitate effective engagement with employees include the regular business update via Teams by the CEO and executive management, as well as the quarterly publication of Heidelberg Materials 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. Heidelberg Materials UK's Team magazine also communicates to employees the many positive measures Heidelberg Materials UK takes to support our local communities as key stakeholders in the context of the long-term sustainability of our operations.

All Heidelberg Materials employees have been assigned an email address and have the ability to access our people system, Workday, where they can view their personal information and payslip.

We regularly provide updates on Viva Engage and continue to increase our presence on Social Media which has meant we are reaching a wider and more diverse audience with our communications and business activities, contributing to the enhancement of our employer brand. The Directors value the consultations undertaken with trade unions, setting out detailed business performance updates when meeting with them.

Driver engagement continues to be a focus with sessions held at our 3 cement plants alongside numerous health and safety meetings with driver representatives.

Heidelberg Materials UK places great importance on visible and engaged leadership. Management frequently visits sites to discuss health and safety, as well as other broader topics, with employees. Safety conversations in particular are closely monitored to demonstrate the commitment to engaged leadership and the significance of safety.

The Head of HR works with the HR Business Partnering Team and attends management meetings to provide insight on feedback regularly received from employees at various forums which often influences the direction of the business's People Strategy. Through the work and engagement carried out within the business the HR team are ensuring the Company's values and culture are embedded within the workforce.

In 2024, we developed a new people strategy by collaborating with representatives from various parts of the business to shape our future together. This strategy was formed through conducting workshops with business representatives. We also collaborated with colleagues from Heidelberg Materials European countries to share best practices. These workshops provided a platform for exchanging ideas, addressing challenges, and fostering a collaborative environment that supports our strategic goals.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Engagement with employees (continued)**

Employee surveys are carried out periodically, and in September 2024, we conducted a comprehensive survey to monitor the culture and values within our workforce. The results showed a significant improvement in the engagement score, which increased from 73% to 78%. This positive change reflects our ongoing efforts to create a supportive and engaging work environment.

To build on this success, we are currently developing action plans aimed at providing continuous improvement. These plans will address the feedback received from the survey and focus on key areas such as employee well-being, professional development, communication and workplace culture. Our goal is to ensure that our employees feel valued and heard, and that we continue to foster a positive and inclusive workplace.

In addition to the engagement survey, we conducted a wellbeing survey in January 2024 to assess the current state of employees' mental health. This survey helped us evaluate the effectiveness of our wellbeing strategies and identify areas for improvement. As a result, we have trained over two hundred mental health first aiders to support our employees. Additionally, we created a wellbeing dashboard that provides management and support functions with insightful data to take informed actions.

A further component of engagement with employees is the annual Heidelberg Materials UK return to work carried out on the first working day of the New Year, with the usual Health and Safety stand down held.

Heidelberg Materials 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, we have three employee networks: Network of Women (NOW), LGBT+ network and the Armed Forces Network. Investing in FAIR continues to be a paramount priority for us, and it plays a pivotal role in our staff retention strategy. It fosters a positive work environment that entices and motivates them to remain part of our team.

We participate in the Disability Confident scheme, providing an inclusive and accessible work environment that values diversity and equal opportunities. We are silver accredited with the Armed Forces Covenant which recognises the support we have put in place for employee armed forces personnel, veterans, and their families.

We have a Sabbatical Policy which was extended to our early talent trainees in 2024 and we continue to allow staff flexibility in their working location, if the job allows, to give a better work-life balance.

We continuously review our family policies to better support our employees. In January we extended our Paternity Leave to three weeks and extended the pay on our Maternity policy to support new parents. We also have a progressive Neonatal Leave policy, a Fertility policy, and a Menopause policy to support employees in their time of need. 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 Heidelberg Materials 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.

Heidelberg Materials 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 always. 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 Heidelberg Materials UK executive team.

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

#### Engagement with employees (continued)

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

#### 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  
S L Willis  
A Quilez Somolinos

#### 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

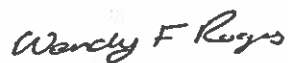
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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.

This report was approved by the board on 16 July 2025 and signed on its behalf.



**W F Rogers**  
Secretary



## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors are responsible for preparing the Strategic Report, the 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 United Kingdom Accounting Standards, comprising FRS 102 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 Responsibility Statement was approved by the board on 16 July 2025 and signed on its behalf.



**W F Rogers**  
Secretary

# Independent auditors' report to the members of Heidelberg Materials Cement Holding Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Heidelberg Materials Cement Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 2024; 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.

### **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 2024 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.

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 assumptions and judgements made by management in their significant accounting estimates and obtaining corroborative evidence to support their reasonableness.

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](http://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.



Stuart Couch (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
16<sup>th</sup> July 2025

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Income from fixed assets investments	6	31,500	10,500
<b>Profit before tax</b>		<u>31,500</u>	<u>10,500</u>
Tax on profit	7	-	-
<b>Profit for the financial year</b>		<u>31,500</u>	<u>10,500</u>
<b>Total comprehensive income for the year</b>		<u>31,500</u>	<u>10,500</u>

All amounts relate to continuing operations.

The notes on pages 14 to 20 form part of these financial statements.

**HEIDELBERG MATERIALS CEMENT HOLDING LIMITED**  
**REGISTERED NUMBER: 02201396**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
<b>Fixed assets</b>			
Investments	9	70,000	70,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	10,087	10,087
<b>Net assets</b>		<u>80,087</u>	<u>80,087</u>
<b>Capital and reserves</b>			
Called up share capital	12	69,301	69,301
Profit and loss account		10,786	10,786
<b>Total equity</b>		<u>80,087</u>	<u>80,087</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 July 2025.



**R C Dowley**  
Director

The notes on pages 14 to 20 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 January 2023</b>	69,301	10,786	80,087
<b>Comprehensive income for the year</b>			
Profit for the year	-	10,500	10,500
<b>Contributions by and distributions to owners</b>			
Dividend paid	-	(10,500)	(10,500)
<b>At 1 January 2024</b>	69,301	10,786	80,087
<b>Comprehensive income for the year</b>			
Profit for the year	-	31,500	31,500
<b>Contributions by and distributions to owners</b>			
Dividend paid	-	(31,500)	(31,500)
<b>At 31 December 2024</b>	69,301	10,786	80,087

The notes on pages 14 to 20 form part of these financial statements.



## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 1. General information

Heidelberg Materials Cement Holding Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business is disclosed in the Company Information.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000).

The 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.

##### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Heidelberg Materials AG as at 31 December 2024 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 2024**

**2. Accounting policies (continued)**

**2.3 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 geopolitical instability in Ukraine and the Middle East and other political uncertainties; energy and raw material market volatility; persistent inflationary pressures; proposed tariffs; relatively high interest rates and the overarching impact these factors have on construction and consumer markets. The ultimate parent undertaking 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.

**2.4 Investments**

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

**2.5 Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**Financial assets**

Basic financial assets, including amounts owed by group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 2. Accounting policies (continued)

##### 2.6 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.

##### 2.7 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.

#### 3. Judgments 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 reviews the recoverability of amounts owed by group undertakings by reviewing the net assets of the counterparty. If the counterparty has net liabilities a provision is made by management for the amount considered irrecoverable.

#### 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.

#### 5. Staff costs

The average monthly number of employees, including the Directors, during the year was nil (2023 - nil).

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £2,070,000 (2023 - £1,937,000), 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.

# HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 6. Income from fixed assets investments

	2024 £000	2023 £000
Income from fixed asset investments	31,500	10,500

During the year, the Company received an interim dividend of 45p (2023 – 15p) per share.

### 7. Taxation

	2024 £000	2023 £000
<b>Current tax</b>		
Current UK corporation tax on profit for the year	-	-
<b>Total current tax</b>	-	-

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 23.5%). The differences are explained below:

	2024 £000	2023 £000
Profit before tax	31,500	10,500
Profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.5%)	7,875	2,468
<b>Effects of:</b>		
Dividends from UK companies	(7,875)	(2,468)
Group relief	(135)	(123)
Transfer pricing adjustments	135	123
<b>Total tax charge for the year</b>	-	-

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 7. Taxation (continued)

##### Factors that may affect future tax charges

The main rate of corporation tax is 25% (2023 - 23.5%).

#### 8. Dividend paid

	2024 £000	2023 £000
Dividend paid	31,500	10,500

During the year, the Company received an interim dividend of 45p (2023 – 15p) per share.

#### 9. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost and Net book value</b>	
At 1 January 2024 and 31 December 2024	70,000

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

##### Direct subsidiary undertaking

The investment in which the Company directly held any class of share capital is as follows:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Castle Cement Limited	England and Wales	Ordinary	100%	Manufacture of cement

## HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### 9. Fixed asset investments (continued)

##### Indirect subsidiary undertakings

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

Name	Country of incorporation	Class of shares	Holding	Principal activity
Castle Building Products Limited	England and Wales	Ordinary	100%	Dormant
Castle Cement (Ketton) Limited	England and Wales	Ordinary	100%	Investment holding company
Castle Cement (Ribblesdale) Limited	England and Wales	Ordinary	100%	Investment holding company
Castle Lime Limited	England and Wales	Deferred	100%	Dormant
Mantle & Llay Limited	England and Wales	Ordinary	100%	Dormant
Minster Quarries Limited	England and Wales	Ordinary	100%	Investment holding company
Scancem Energy and Recovery Limited	England and Wales	Ordinary	100%	Investment holding company
Tunnel Cement Limited	England and Wales	Ordinary	100%	Investment holding company
Castle Cement (Chatburn) Limited	England and Wales	Ordinary	100%	Group finance company
Castle Cement (Clyde) Limited	England and Wales	Ordinary	100%	Group finance company
Castle Cement (Padeswood) Limited	England and Wales	Ordinary	100%	Group finance company
Castle Cement (Pitstone) Limited	England and Wales	Ordinary	100%	Group finance company
Chemical Manufacture and Refining Limited	England and Wales	A Ordinary	100%	Group finance company
		B Ordinary	100%	
Ketton Cement Limited	England and Wales	Ordinary	100%	Dormant
Scancem Recovery Limited	England and Wales	Ordinary	100%	Investment holding company
Solrec Limited	England and Wales	Ordinary	100%	Group finance company
Thistleton Quarries Limited	England and Wales	Ordinary	100%	Dormant

The Company also indirectly held a 100% capital interest in Castle Pension Scheme Trustees Limited and CSPS Trustees Limited, two companies which are limited by guarantee without share capital. These companies are also incorporated in England and Wales.

The registered office of the investments is Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.

# HEIDELBERG MATERIALS CEMENT HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 10. Debtors

	2024 £000	2023 £000
<b>Due within one year</b>		
Amounts owed by group undertakings	10,087	10,087

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

### 11. Deferred taxation

A potential deferred tax asset of £3,250,000 (2023 - £3,307,000) in respect of tax losses carried forward has not been recognised as it is uncertain whether relevant taxable profits to offset these losses would arise in future periods.

### 12. Share capital

	2024 £000	2023 £000
<b>Allotted, called up and fully paid</b>		
69,300,882 (2023 - 69,300,882) ordinary shares of £1 each	69,301	69,301

### 13. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS102 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:

	2024 £000	2023 £000
Amounts owed by direct subsidiary undertaking	10,087	10,087

### 14. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Birchwood Omnia 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.

