

BIRCHWOOD OMNIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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
Registered office	Second Floor Arena Court Crown Lane Maidenhead Berkshire SL6 8QZ
Independent auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

BIRCHWOOD OMNIA LIMITED

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BIRCHWOOD OMNIA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Business review

The Company is a group investment holding company.

On 21 November 2024 the Company received a dividend of £31,500,000 from its subsidiary, Heidelberg Materials Cement Holding Limited.

During the year the Company also received interest on amounts due from its ultimate parent undertaking.

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.

The Directors have not made any strategic decisions during 2024 and the Company continues to hold its investment in Heidelberg Materials Cement Holding Limited.

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 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.

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 25 September 2025 and signed on its behalf.



W F Rogers
Secretary

**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 £32,285,000 (2023 - £480,837,000).

During the year the Company paid a dividend of £nil (2023 - £1,090,000,000). The Directors do not recommend the 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.

Post balance sheet event

At the end of September the Company's indirect subsidiary, Castle Cement Limited, announced an agreement with the UK Government to build the world's first carbon capture facility to fully decarbonise cement production. The plant at Padeswood, UK, will capture almost 100% of CO2 emissions.

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

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

Engagement with employees

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

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.

Regular updates are provided on Viva Engage and the business continues to increase its presence on Social Media which has meant reaching a wider and more diverse audience with its 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 the 3 cement plants alongside numerous health and safety meetings with driver representatives.

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

Engagement with employees (continued)

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, a new people strategy was developed 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 and 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 the Company's strategic goals.

Employee surveys are carried out periodically, and in September 2024, a comprehensive survey was conducted to monitor the culture and values within the 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, action plans are currently being developed which are 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. The goal is to ensure that employees feel valued and heard, and continue to foster a positive and inclusive workplace.

In addition to the engagement survey, a wellbeing survey was conducted in January 2024 to assess the current state of employees' mental health. This survey helped evaluate the effectiveness of the business's wellbeing strategies and identify areas for improvement. As a result, over two hundred mental health first aiders were trained to support our employees. Additionally, a wellbeing dashboard was created 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, there is 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 three employee networks: Network of Women (NOW), LGBT+ network and the Armed Forces Network. Investing in FAIR continues to be a paramount priority, and it plays a pivotal role in staff retention strategy. It fosters a positive work environment that entices and motivates them to remain part of the team.

Participation in the Disability Confident scheme, provides an inclusive and accessible work environment that values diversity and equal opportunities. A silver accreditation with the Armed Forces Covenant recognises the support in place for employee armed forces personnel, veterans, and their families.

The Sabbatical Policy was extended to early talent trainees in 2024 and continues to allow staff flexibility in their working location, if the job allows, to give a better work-life balance.

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

Engagement with employees (continued)

The family policies are continuously reviewed to better support employees. In January the Paternity Leave was extended to three weeks and Maternity Pay was increased to support new parents. A progressive Neonatal Leave policy, a Fertility policy, and a Menopause policy also exist 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.

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' 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

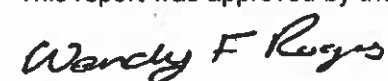
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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 25 September 2025 and signed on its behalf.



W F Rogers
Secretary

**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 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 Responsibility Statement was approved by the board on 25 September 2025 and signed on its behalf.



W F Rogers
Secretary

Independent auditors' report to the members of Birchwood Omnia Limited

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 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 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 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, comprising material accounting policy information and other explanatory information.

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. 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

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26 September 2025

BIRCHWOOD OMNIA LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
Administrative expenses		(62)	(326)
Operating loss		(62)	(326)
Income from fixed assets investments	5	31,500	26,693
Profit on disposal of investment		-	455,371
Interest receivable and similar income	6	847	776
Interest payable and similar expenses	7	-	(58)
Profit before tax		32,285	482,456
Tax on profit	8	-	(1,619)
Profit for the financial year		32,285	480,837
Total comprehensive income for the year		32,285	480,837

All amounts relate to continuing operations.

The notes on pages 14 to 22 and Appendix I form part of these financial statements.

BIRCHWOOD OMNIA LIMITED
REGISTERED NUMBER: 04020668

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Fixed assets			
Investments	10	548,057	548,057
Current assets			
Debtors: amounts falling due within one year	11	45,404	13,190
Cash at bank and in hand		263	271
		<u>45,667</u>	<u>13,461</u>
Creditors: amounts falling due within one year	12	-	(79)
Net current assets		<u>45,667</u>	<u>13,382</u>
Net assets		<u>593,724</u>	<u>561,439</u>
Capital and reserves			
Called up share capital	13	100	100
Share premium account		182,168	182,168
Profit and loss account		411,456	379,171
Total equity		<u>593,724</u>	<u>561,439</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2025.



N Benning-Prince
Director

The notes on pages 14 to 22 and Appendix I form part of these financial statements.

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

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2023	100	182,168	988,334	1,170,602
Comprehensive income for the year				
Profit for the year	-	-	480,837	480,837
Contributions by and distributions to owners				
Dividend paid	-	-	(1,090,000)	(1,090,000)
At 1 January 2024	100	182,168	379,171	561,439
Comprehensive income for the year				
Profit for the year	-	-	32,285	32,285
At 31 December 2024	100	182,168	411,456	593,724

The notes on pages 14 to 22 and Appendix I form part of these financial statements.

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

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 material 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 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**

1. Accounting policies (continued)

1.4 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.

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.

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

1. Accounting policies (continued)

1.5 Financial instruments (continued)

Impairment of financial assets (continued)

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

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

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.

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

1. Accounting policies (continued)

1.8 Dividend income

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

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 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.

1.11 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.

1.12 Interest income

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**
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.

4. 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 £1,189,000 (2023 - £1,116,000), 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

	2024	2023
	£000	£000
Income from fixed asset investments	31,500	26,693

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

In the prior year the Company received a gross dividend of IDR 300,696,938,080 (£16,193,000) from its subsidiary PT Indocement Tunggal Prakarsa Tbk. The Company also received a dividend of £10,500,000 from Heidelberg Materials Cement Holding Limited.

6. Interest receivable and similar income

	2024	2023
	£000	£000
Interest receivable from group companies	847	753
Foreign exchange gain on forward contracts	-	23
	<u>847</u>	<u>776</u>

7. Interest payable and similar expenses

	2024	2023
	£000	£000
Interest payable on foreign exchange forward contracts	-	13
Foreign exchange loss on dividend receivable	-	45
	<u>-</u>	<u>58</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**
8. Taxation

	2024 £000	2023 £000
Current income tax		
Current UK Corporation tax on profits for the year	-	-
Foreign tax		
Foreign tax on income for the year	-	1,619
Total current tax	<u>-</u>	<u>1,619</u>

Reconciliation of the 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	<u>32,285</u>	<u>482,456</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.5%)	8,071	113,377
Effects of:		
Expenses not deductible for tax purposes	14	10
Non-taxable income	(7,875)	(6,273)
Non-taxable gain on sale of subsidiary	-	(107,012)
Non-recoverable withholding tax	-	1,619
Group relief	(210)	(102)
Total tax charge for the year	<u>-</u>	<u>1,619</u>

Change in corporation tax rate

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

9. Dividends

	2024 £000	2023 £000
Dividend paid	<u>-</u>	<u>1,090,000</u>

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

10. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2024 and 31 December 2024	1,057,699
Impairment	
At 1 January 2024 and 31 December 2024	509,642
Net book value	
At 31 December 2024	548,057
At 31 December 2023	548,057

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
Heidelberg Materials Limited	England and Wales	Ordinary	100%	Dormant
Heidelberg Materials Cement Holding Limited	England and Wales	Ordinary	100%	Investment holding company

The registered office of Heidelberg Materials Limited and Heidelberg Materials Cement Holding Limited is Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**
11. Debtors

	2024	2023
	£000	£000
Due within one year		
Amounts owed by group undertakings	45,404	13,190

Amounts owed by group undertakings is an amount of £45,404,000 (2023 - £13,190,000) which is unsecured, repayable on demand and accrues interest at SONIA.

12. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Accruals and deferred income	-	79

13. Share capital

	2024	2023
	£000	£000
Allotted, called up and fully paid		
100,000 (2023 - 100,000) ordinary shares of £1 each	100	100

The Company has no authorised share capital limit.

14. Related party transactions

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

	2024	2023
	£000	£000
Amounts owed by ultimate parent undertaking	45,404	13,190

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

15. Post balance sheet event

At the end of September the Company's indirect subsidiary, Castle Cement Limited, announced an agreement with the UK Government to build the world's first carbon capture facility to fully decarbonise cement production. The plant at Padeswood, UK, will capture almost 100% of CO₂ emissions.

16. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Heidelberg Materials 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.

**APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND INVESTMENTS
AT 31 DECEMBER 2024**

Name	Country of incorporation	Group ownership %	Registered office
CSPS Trustees Limited	England and Wales	100	*
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	*
Ketton Cement Limited	England and Wales	100	*
Mantle & Llay Limited	England and Wales	100	*
Minster Quarries Limited	England and Wales	100	*
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 is Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.