

Registered number: 02301423

CIVIL AND MARINE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

CIVIL AND MARINE LIMITED

COMPANY INFORMATION

Directors	E A Gretton S L Willis A Quilez Somolinos
Company secretary	W F Rogers
Registered number	02301423
Registered office	Second Floor Arena Court Crown Lane Maidenhead Berkshire SL6 8QZ
Independent auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

CIVIL AND MARINE LIMITED

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CIVIL AND MARINE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Business review

The principal activity of the Company is the manufacture and sale of ground granulated blast furnace slag ("GGBS") primarily for use in the concrete industry.

Invoicing to customers of the Company is undertaken by Castle Cement Limited, a fellow group undertaking who act as agent. This arrangement provides customers with a single point of contact for all of Heidelberg Materials UK's cementitious products in the UK.

Turnover decreased by 21% from £108,125,000 to £85,505,000 as sales volumes decreased by 21% compared to the previous year. Construction demand in 2025 recorded lower levels of activity than historical averages due to economic uncertainties in the macroeconomic environment as well as market pressures. Operating profit less exceptional items amounted to £9,344,000 (2024 - £29,614,000).

At the year end, an assessment of fixed assets resulted in an additional impairment charge of £19,571,000 against goodwill and an additional impairment charge of £2,738,000 against tangible fixed assets, following a recalculation of the Company's future cash flows after a deterioration in trading based on the expected remaining lifespans of the Company's sites. These have been treated as exceptional items.

At the year end, the Company partially released the impairment made against its investment in Civil and Marine (Holdings) Limited by £78,000, to bring the carrying value in line with the underlying net assets, as a result of the improvement in performance at the Company's operating subsidiary. This has also been treated as an exceptional item.

On 16 October 2025, the Company received a dividend of £153,000 from its subsidiary undertaking, Civil and Marine (Holdings) Limited.

Net interest receivable amounted to £10,685,000 (2024 - £12,311,000) a decrease of £1,625,000 resulting in a loss before tax of £2,313,000 (2024 - profit before tax £42,641,000).

On 19 December 2025 the Company received £30,000,000 from Hanson Holdings Limited on the repayment of a loan note, together with interest of £1,476,714, and placed the proceeds in its cash-pool account.

During the year the Company agreed a rent review for premises at Teeside resulting in additions to lease liabilities and right of use land and buildings of £430,000.

Directors' statement of compliance with their duty to promote the success of the Company

Section 172(1) Statement

This report sets out how the Directors have complied with section 172(1) of the Companies Act 2006 in making their strategic decisions during 2025 and in considering the likely long-term consequences of those decisions and the need to maintain a reputation for high standards of business conduct. This has involved engagement with all of the Company's key stakeholders to ensure that we understand their views and interests when making decisions and when developing the Company's purpose, values and strategy. The Directors ensure that they listen to and consider the interests of the Company's employees and that they foster relationships with the Company's customers and suppliers. The Directors work to ensure the sustainability of the Company's operations within local communities in the context of the potential impact on the local environment.

Heidelberg Materials UK Sustainability Policy

Effective management of safety, health, environment, quality, carbon reduction and responsible sourcing remains fundamental to the sustained success of the Company's business. The Company's sustainability objectives are reviewed regularly and communicated to employees, contractors, visitors, key stakeholders and our supply chain to promote wider adoption of responsible practices. As a Heidelberg Materials UK company, the Company complies with all applicable law and regulatory requirements. Cooperation in the implementation of Heidelberg Materials UK's sustainability policy is a condition of employment, partnership and supply.

CIVIL AND MARINE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Directors' statement of compliance with their duty to promote the success of the Company (continued)

Heidelberg Materials UK Sustainability Policy (continued)

Full details of the Heidelberg Materials UK Sustainability Policy are available on the Heidelberg Materials UK website at www.heidelbergmaterials.co.uk.

The policy sets out Heidelberg Materials UK's sustainability objectives, including: driving business and product innovation by engaging with customers and stakeholders to continually improve sustainability performance; adopting an integrated approach to achieve the highest standards in complying with ISOs 9001, 14001, 45001, 45003 and 50001, as well as PAS 2080 and BES 6001:Issue 4.0; ensuring health, safety and wellbeing in the workplace; demonstrating environmental responsibility by collaborating with suppliers and contributing to global efforts to limit temperature rise to below 1.5°C; conserving natural resources and maximising the use of alternative materials and recycling; being a good neighbour and fulfilling social value commitments through transparency, consultation, staff volunteering, local employment and local procurement; and being a fair, respectful and inclusive company.

During 2025, the Company continued to roll out its Heidelberg Materials UK 2030 commitments across the four key pillars: net zero, safe and inclusive, nature positive, and circular and resilient. The 2026 Sustainability Report sets out the 2030 targets and records progress in 2025 towards their achievement. Some of the 2030 commitments were revised and updated to reflect business actions and projects. These amended commitments are reported in the 2026 Sustainability Report.

2025

Capital expenditure across the Company's sites was spent on the replacement of aged and redundant equipment and infrastructure to maintain production and business continuity.

At the Company's Purfleet site, improvement work commenced on the ship to shore conveyor system and guarding to maintain integrity and extend its life for a further 10 years. Work continued on Mill 3, with a high voltage switchgear replacement, fan and motor all being installed during the year. In addition, railings on top of the silos were upgraded to enhance the health and safety of the Company's workforce.

The closure of Tata Port Talbot blast furnaces towards the end of 2024 had a major impact on the supply of raw materials from domestic sources. Robust and strong supply chain arrangements within the global market ensures production volumes of Regan met demand.

Operational investments and improvements are made in the interests of ensuring long-term sustainable production to service our customers and the continuity of safe operations for our workforce, delivering value for our parent company and developing meaningful partnerships with our suppliers. Investments in new operations facilitate reductions in energy usage, water usage and emissions, lessening the impact on both the environment and local communities.

Information relating to the Company's investments, improvements, performance, outlook and sustainability was presented to stakeholders through various channels. For employees, this included the Employee Forum, a series of virtual town hall talks presented by the Heidelberg Materials UK chief executive officer, driver forums, driver engagement days and management meetings with trade unions. Regular video updates from Heidelberg Materials UK's CEO and business line managing directors on business performance and strategy were provided to the workforce in 2025.

The Company continued with the Heidelberg Materials UK Fairness, Awareness, Inclusion and Respect steering group which implements initiatives to address diversity and gender balance within the workforce.

The Company engages in meetings with schools and colleges for the purpose of recruiting graduates and also finding candidates for the Company's management and engineering apprenticeships.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

**Directors' statement of compliance with their duty to promote the success of the Company
(continued)**

2025 (continued)

The Company's business, the production and distribution of Regen (Ground Granulated Blast furnace Slag), is a substitute for cement that reduces embodied CO₂ in concrete as well as increasing durability. The Company works to maximise the use of Regen (Ground Granulated Blast furnace Slag) in concrete. Every tonne of Regen used reduces embodied CO₂ by as much as 750kg and it can be used in various types of concrete including those for residential, commercial and infrastructure projects.

As a byproduct of the steel industry, it helps reduce waste and promotes the recycling of material.

The Company works with national bodies to ensure that industry standards in concrete mix design recognise and allow for the incorporation of Regen within concrete in the interests of CO₂ reduction. The Company has a clear focus towards 2030 and beyond and together with its ultimate parent company is developing masterplans to meet the challenges of reducing CO₂ emissions.

Improvements in the interest of sustainability and lessening the potential for impact on communities and the environment included:

- promotion of the evoBuild low carbon GGBS range to provide customers with an option to produce low carbon concrete;
- the Company's process of continuous review in water management and the establishment of ambitious targets to reduce levels of mains water usage on site;
- the continuous reviews of the Company's waste management processes supported again by the establishment of new objectives; and
- the establishment of the Company's operations within a fully integrated management system that included an ISO 50001 certified energy management system.

The Company continued to optimise plant operations through digital utilisation and implementation; mapping daily/weekly sales demand forecasts, stocks and required production with electricity price to ensure plants are run optimally and effectively.

Occupational health and safety is one of the Company's core values, as a Heidelberg Materials UK company, and a fundamental element of our work processes. It is well understood that the health and wellbeing of the business's employees, contractors as well as people in the local communities, together with a safe working environment, is key to a successful, productive business and the Company therefore prioritises the reduction of risks leading to accidents, injuries and occupational illness in order to achieve the declared aim of Heidelberg Materials UK to do zero harm. The Company's principles for protecting its own employees, contractors as well as those of third parties are specified in the Heidelberg Materials UK policy on occupational health and safety.

In order to minimise and prevent risks for our employees, customers, suppliers, and other third parties, regular risk assessments were carried out at our locations so that all risks could be evaluated and appropriate protective measures taken. The Company focused on the potentially fatal six risks set out in the business's 2025 Health and Safety improvement plan. The Company also continued to roll out the Heidelberg Materials UK mental health awareness and training programme throughout its business.

Steps taken during 2025 to ensure maintenance of a reputation for high standards of business conduct included training staff in many different compliance areas, covering our Code of Business Conduct, corruption and anti-bribery, competition law, data protection and modern slavery, all supported by a regime of policies and procedures that underpin the Company's purpose and values; the compliance program is supported by a new online reporting platform that allows concerns to be reported and investigated outside of reporting lines.

Further information relating to the Company's work on sustainability, including Regen and customer support for Continuing Professional Development (CPD) training, can be found on the Heidelberg Materials UK website www.heidelbergmaterials.co.uk/en/products/regen-ggbs.

CIVIL AND MARINE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Principal risks and uncertainties

Raw material supply risk

The Company may be unable to meet demand if insufficient raw material, specifically granulated blast furnace slag, ("GBS") is available from third party suppliers. This risk is mitigated by working closely with suppliers. The Company is working with its raw material suppliers in the UK and abroad to improve productivity, efficiency and availability.

Market demand risk

Demand for the Company's products is predominantly from the construction sector. Confidence in the construction sector is key to maintaining demand and relevant trends are monitored closely to ensure that production capacity remains in line with demand.

Energy risk

The manufacture of GGBS consumes significant volumes of gas and electricity as part of the production process. Whilst the Company constantly reviews methods of reducing gas and electricity consumption, increases in these costs may significantly increase the cost of production. The profitability of the Company could be adversely affected if the Company was not able to recoup such costs in the prices of its products. The Company actively mitigates the volatility of these costs through partial forward buying gas requirements and where appropriate, locking in to fixed prices contracts for electricity supply.

Systems compliance risk

The implementation of software to improve the efficiency and effectiveness of various business processes is an important contributor to the Company's ongoing operations. Failure to design, select appropriate suppliers and implement such systems effectively could result in unplanned costs or reduced levels of customer satisfaction. This could adversely affect the Company's results and profitability. The Company has a strong development and implementation process with a dedicated IT team to manage and mitigate any risk in this area.

Credit risk

Credit risk is the potential exposure of the Company to loss in the event of non-performance by a counter-party. The Company controls this credit risk through credit approval and appropriate limits.

Regulatory risk

The construction industry is subject to a wide range of regulatory measures, including both UK and European emission regulations through the Environment Agency and other areas such as competition law. A breach of these laws or regulations could affect some of the Company's production facilities or could result in a lengthy enquiry or management time consuming investigation. This risk is mitigated by maintaining strict policies and procedures to ensure compliance with all regulatory requirements.

Production risk

The Company's production facilities are highly automated and the failure of a key component can cause production to temporarily cease, with the potential impact on cost and supplies to customers. The Company has robust assessment programmes for all equipment which includes scheduled maintenance shut-downs. Furthermore, the Company maintains stocks of critical spares. In addition, the Company relies upon the quality of raw material granulate from its suppliers. These are monitored carefully, and where necessary are blended to ensure an optimum mix.

Cyber security risk

Due to the current geopolitical situation and the increasing prevalence of cyberattacks as a business model, the threat of attack, especially from external sources, is significantly heightened. This could expose the Company to significant downtime, which could adversely affect the Company's performance.

To counteract this threat level, Heidelberg Materials UK's Information Security Officer continues to lead the Information Security Programme in the UK, intended to improve the maturity of Heidelberg Materials UK's people, processes, and technology measured against the NIST (National Institute of Standards and Technology) Cyber Security Framework. This will include cyber education for all employees, introducing information security compliance check-points into the IT Demand/Delivery Process and supporting the creation and testing of business continuity plans at regular intervals.

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STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Principal risks and uncertainties (continued)

Cyber security risk (continued)

Continuous improvements to the Company's IT networks evidence developments in cyber resilience, to ensure security and stability are maintained at a high level.

Financial key performance indicators

Key performance indicators ("KPIs") are managed at a divisional level. As a result, the Directors have taken the decision not to disclose performance against KPIs in individual subsidiary financial statements. Management assess divisional performance against a number of financial KPIs including turnover, profitability, sales volumes, average selling prices, and market share alongside other non financial KPIs such as health and safety performance and levels of customer satisfaction. Group performance against KPIs is disclosed in the financial statements of Heidelberg Materials AG.

This report was approved by the board on 15 October 2026 and signed on its behalf.



W F Rogers
Secretary

CIVIL AND MARINE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

Results and dividends

The loss for the year, after taxation, amounted to £1,040,000 (2024 - profit £30,557,000).

An interim dividend of £30,300,000 was paid during the year (2024 - £40,400,000). The Directors do not recommend the payment of a final dividend (2024 - £nil).

Future developments

The business remains focused on optimizing selling prices and managing costs to sustain performance. With the closure of the blast furnace at the Port Talbot Steelworks, the supply of domestic raw materials has diminished. However, the business is well-positioned to manage volume requirements through secured alternative sources.

The Directors believe that although there is still a lot of uncertainty concerning energy and costs as a result of the impact of the Ukraine and Middle East crisis and general cost of living, the Company continues to see demand for its products. The Directors will continue to focus on maintaining margins during a continued period of cost pressures.

Going concern

The Company manages its liquidity through centralised group treasury arrangements operated by its ultimate parent undertaking, Heidelberg Materials AG. At the reporting date, the Company's surplus cash includes a short-term money market deposit placed with Heidelberg Materials AG, together with positive inter-company balances arising under a group-wide zero-balancing cash pooling arrangement. Both the money market deposit and cash pool balances are governed by formal contractual arrangements which provide for the repayment of principal and interest in accordance with agreed terms. The central treasury function is required to maintain sufficient liquidity to meet obligations as they fall due.

At the reporting date, the Company has net assets and holds surplus cash in the form of a short-term money market deposit and positive inter-company balances within the group cash pooling arrangement. In addition, Heidelberg Materials AG, which indirectly owns the Company's entire share capital, has confirmed its intention and ability to continue to support the Company for a period of not less than 12 months from the date of approval of these financial statements, should such support be required.

The Directors have performed an assessment on the ability of the Company to operate on a going concern basis. This includes an assessment of the Company's financial position and forecast performance, Heidelberg Materials UK's divisional cash flow forecasts up to December 2027 and other relevant enquiries, including: the on-going impact of geopolitical instability in Ukraine and the Middle East and other political uncertainties; persistent inflationary pressures; the effect of tariffs; Government fiscal policy and the overarching impact these factors have on construction and consumer markets, as well as consideration of identifiable risks made by the ultimate parent undertaking, Heidelberg Materials AG, on their global business activities. The ultimate parent undertaking continues to operate on a going concern basis.

The Directors continue to see ongoing demand for the Company's products and services and have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future having considered the risks and uncertainties that are relevant to both the Company and its ultimate parent undertaking and therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

CIVIL AND MARINE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Risk management

The Directors' report on Risk Management policies is included within the Strategic Report under Principal risks and uncertainties.

Directors

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

E A Gretton
S L Willis
A Quilez Somolinos

Research and development activities

The Company carries out research and development on its own behalf to advance the marketability of its products. Research costs are written off in the year in which they are incurred. Development costs are capitalised if they meet the criteria of IAS 38.

Engagement with stakeholders

The Directors' statement on compliance with their duty to promote the success of the Company included within the Strategic Report includes a summary of how the Company engaged with its key stakeholders during 2025.

Streamlined Energy and Carbon Reporting (SECR) Disclosure

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1 and 2 emissions. It contains an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and a summary of energy efficiency actions taken during the relevant financial year.

	Year to 31 st Dec 2025	Year to 31 st Dec 2024
Energy consumption used to calculate emissions (kWh)	111,436,935	145,795,909
Emissions from combustion of gas (Scope 1) tCO ₂ e	12,486	17,988
Emissions from combustion of fuel for transport purposes (Scope 1) tCO ₂ e	3,776	1,879
Emissions from purchased electricity (Scope 2, location-based) tCO ₂ e	4,851	8,161
Emissions from purchased electricity (Scope 2, market-based) tCO ₂ e	1,317	3,744
Total gross tCO ₂ e based on above (location-based)	21,113	28,028
Total gross tCO ₂ e based on above (market-based)	17,579	23,611
Intensity ratio (tCO ₂ e/Turnover in £000) (location-based)	0.24692	0.25922
Intensity ratio (tCO ₂ e/Turnover in £000) (market-based)	0.20559	0.21837

CIVIL AND MARINE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Energy Efficiency Action Summary

The Company forms part of the Heidelberg Materials UK operating division of Heidelberg Materials AG.

Environmental responsibility remains a core operating principle, with sustainability fully integrated into the Company's long-term strategy. The Company met its 2025 ESOS compliance requirements by maintaining energy and carbon management systems certified to ISO 50001 standards and delivering planned actions. The Company's targets remain aligned with science-based pathways.

The Company has continued to prioritise energy efficiency through targeted equipment upgrades and focused maintenance activities. Ongoing plant optimisation programmes combine the introduction of new equipment, strategic rebuilds, enhanced driver training, and improved matching of machinery to appropriate task loads. Although the sites have experienced challenging operating conditions, the teams' experience and sustained attention to efficiency have continued to deliver positive results.

In addition, the adoption of proactive and preventative maintenance tools for planning and diagnostics has continued to expand. Further digitalisation and enhanced data management practices, including further deployment of Microsoft Sustainability Manager, continues to improve performance and decision-making processes.

The Company continues to procure electricity under EDF's zero carbon "BLUE for Business" tariff, except for properties where energy supply is controlled by landlords. The fleet management team has focused on optimising the transport of raw materials and finished products, working with both internal fleet operations and external logistics partners to reduce our internal footprint.

The Company has also undertaken further assessments to better understand the full impacts of its activities through a comprehensive Scope 3 emissions reviews. This work confirmed the Company's approach to Procurement Policy Note (PPN) 06/21 and supported the development of more transparent product information. As a result, Environmental Product Declarations (EPDs) are available across the Company's portfolio.

Methodology Notes

Reporting Period	1 st January 2025 – 31 st December 2025
Boundary (consolidation approach)	Operational approach
Alignment with financial reporting	SECR disclosure has been prepared in line with Civil and Marine Limited's annual accounts made up to 31st December 2025
Reporting method	GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
Emissions factor source	DEFRA, 2025 for all emissions factors https://www.google.com/search?client=firefox-b-e&q=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fpublications%2Fgreenhouse-gas-reporting-conversion-factors-2025
Conversion factor source	Federal Register EPA for natural gas and gasoline (petrol) https://www.ecfr.gov/cgi-bin/text-idx?SID=ae265d7d6f98ec86fcd8640b9793a3f6&mc=true&node=pt40.23.98&rpn=div5#ap40.23.98.138.1 EPA GHG Emission Factors Hub for natural gas and gasoline (petrol) https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub U. S. Energy Information Administration for diesel https://www.eia.gov/totalenergy/data/monthly/pdf/sec12_2.pdf EPA Direct Emissions from Stationary Combustion Sources for LPG https://www.epa.gov/sites/default/files/2020-12/documents/stationaryemissions.pdf
Calculation method	Activity Data x Emission Factor = GHG emissions Activity Data x Conversion Factor = kWh consumption

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Energy Efficiency Action Summary (continued)

Methodology Notes (continued)

Other relevant information on calculation	Where applicable consumption was converted to kWh using conversion factors linked above, while emissions were calculated with the DEFRA emission factors. The percentage of the Civil and Marine Limited employees relative to the total workforce (2.1%) is applied to the overall transport diesel and petrol consumption to estimate the company's usage. Diesel usage by forklift trucks is not currently tracked separately. An average consumption of 3.95 litres per hour is assumed (Source: https://forkliftbriefing.com/save-money/the-forklift-fuel-robbery/). Based on operational experience, an average of 2 hours of run time per day is estimated for all UK working days for two machines operating on-site.
Dual reporting approach	Dual reporting allows us to compare our purchasing decision (market based-approach – green electricity) to the overall GHG-intensity of the grid (location-based approach) electricity.
Amount of carbon free electricity (kWh) imported from the grid	19,964,902 kWh
Information on carbon free electricity	The electricity supplied to Civil and Marine Limited by EDF for 2025 reporting period has been generated from 100% carbon free (nuclear) sources, except for landlord sites. Using the GHG Protocol Corporate Standards' market-based approach the above enables us to report "0" emissions under Scope 2.
Reason for the intensity measurement choice	For consistency, due to the cement market data order, turnover has been chosen for our intensity metric as the company is precluded by law from publishing production data. Turnover reflects business performance and following the recommendations of the SECR reporting guidance on financial metrics.
Exclusions	The Scope 3 transport fuels and the associated emissions were calculated in the first SECR year (2020) and were found to be de minimis. It is excluded from reporting as it is not practical to obtain.
Rounding	Due to rounding there might be a minor difference compared to the actual GHG emissions (no more than 1%).

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.

CIVIL AND MARINE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

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 15 October 2026 and signed on its behalf.

Wendy F Rogers

W F Rogers
Secretary

CIVIL AND MARINE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 15 October 2026 and signed on its behalf.



W F Rogers
Secretary

Independent auditors' report to the members of Civil and Marine Limited

Report on the audit of the financial statements

Opinion

In our opinion, Civil and Marine Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, 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 2025;
- the Statement of Comprehensive Income for the year then ended;
- 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 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 2025 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 Health and Safety and environmental legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. 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 or judgements to manipulate results. Audit procedures performed by the engagement team included:

- Reviewing meeting minutes of the board for evidence of breaches of regulations and further reviewing any relevant correspondence;

- Identifying and testing journal entries based on our risk assessment and evaluating whether there was evidence of management bias that represents a risk of material misstatement due to fraud;
- Inquiries of management in respect of any known or suspected instances of non compliance with laws and regulations and fraud; and
- 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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

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 October 2026

CIVIL AND MARINE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Turnover	3	85,505	108,125
Change in stocks of finished goods and work in progress		(105)	1,126
Other operating income	4	1,621	2,822
Raw materials and consumables		(49,667)	(53,069)
Other operating expenses	5	(22,577)	(23,352)
Exceptional items	6	(22,495)	(104)
Staff costs	8	(3,825)	(3,851)
Depreciation and amortisation	15, 16	(1,608)	(1,979)
Operating (loss)/profit		(13,151)	29,718
Income from shares in group undertakings	10	153	612
Interest receivable and similar income	11	10,947	13,431
Interest payable and similar expenses	12	(262)	(1,120)
(Loss)/profit before tax		(2,313)	42,641
Tax on (loss)/profit	13	1,273	(12,084)
(Loss)/profit for the financial year		(1,040)	30,557
Total comprehensive (expense)/income for the year		(1,040)	30,557

All amounts relate to continuing operations.

The notes on pages 20 to 49 form part of these financial statements.

CIVIL AND MARINE LIMITED
REGISTERED NUMBER: 02301423

BALANCE SHEET
AS AT 31 DECEMBER 2025

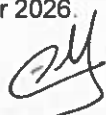
	Note	2025 £000	2024 £000
Fixed assets			
Goodwill	14	60,808	80,379
Other intangible assets	15	1,131	1,414
Tangible assets	16	13,769	16,967
Investments	17	90,538	90,460
		<u>166,246</u>	<u>189,220</u>
Current assets			
Stocks	18	34,884	31,017
Debtors: amounts falling due after more than one year	19	91,032	121,403
Debtors: amounts falling due within one year	19	142,960	122,252
		<u>268,876</u>	<u>274,672</u>
Creditors: amounts falling due within one year	20	(109,636)	(106,629)
Net current assets		<u>159,240</u>	<u>168,043</u>
Total assets less current liabilities		<u>325,486</u>	<u>357,263</u>
Creditors: amounts falling due after more than one year	21	(4,024)	(4,054)
		<u>321,462</u>	<u>353,209</u>
Provisions			
Deferred taxation	23	(236)	(682)
Provisions for liabilities	24	(559)	(520)
		<u>(795)</u>	<u>(1,202)</u>
Net assets		<u><u>320,667</u></u>	<u><u>352,007</u></u>

CIVIL AND MARINE LIMITED
REGISTERED NUMBER: 02301423

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Capital and reserves			
Called up share capital	25	-	-
Share premium account		248,071	248,071
Profit and loss account		72,596	103,936
Total equity		<u>320,667</u>	<u>352,007</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 October 2026.



A Quilez Somolinos
Director

The notes on pages 20 to 49 form part of these financial statements.

CIVIL AND MARINE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2024	-	248,071	113,779	361,850
Comprehensive income for the year				
Profit for the year	-	-	30,557	30,557
Contributions by and distributions to owners				
Dividends paid	-	-	(40,400)	(40,400)
At 1 January 2025	-	248,071	103,936	352,007
Comprehensive expense for the year				
Loss for the year	-	-	(1,040)	(1,040)
Contributions by and distributions to owners				
Dividends paid	-	-	(30,300)	(30,300)
At 31 December 2025	-	248,071	72,596	320,667

The notes on pages 20 to 49 form part of these financial statements.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Accounting policies

1.1 General information

Civil and Marine 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) except where otherwise indicated.

The principal accounting policies adopted by the Company are set out below. These policies have, unless otherwise stated, been consistently applied to all periods presented.

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

1.3 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Heidelberg Materials AG as at 31 December 2025 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 2025**

1. Accounting policies (continued)

1.4 Going concern

The Company manages its liquidity through centralised group treasury arrangements operated by its ultimate parent undertaking, Heidelberg Materials AG. At the reporting date, the Company's surplus cash includes a short-term money market deposit placed with Heidelberg Materials AG, together with positive inter-company balances arising under a group-wide zero-balancing cash pooling arrangement. Both the money market deposit and cash pool balances are governed by formal contractual arrangements which provide for the repayment of principal and interest in accordance with agreed terms. The central treasury function is required to maintain sufficient liquidity to meet obligations as they fall due.

At the reporting date, the Company has net assets and holds surplus cash in the form of a short-term money market deposit and positive inter-company balances within the group cash pooling arrangement. In addition, Heidelberg Materials AG, which indirectly owns the Company's entire share capital, has confirmed its intention and ability to continue to support the Company for a period of not less than 12 months from the date of approval of these financial statements, should such support be required.

The Directors have performed an assessment on the ability of the Company to operate on a going concern basis. This includes an assessment of the Company's financial position and forecast performance, Heidelberg Materials UK's divisional cash flow forecasts up to December 2027 and other relevant enquiries, including: the on-going impact of geopolitical instability in Ukraine and the Middle East and other political uncertainties; persistent inflationary pressures; the effect of tariffs; Government fiscal policy and the overarching impact these factors have on construction and consumer markets, as well as consideration of identifiable risks made by the ultimate parent undertaking, Heidelberg Materials AG, on their global business activities. The ultimate parent undertaking continues to operate on a going concern basis.

The Directors continue to see ongoing demand for the Company's products and services and have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future having considered the risks and uncertainties that are relevant to both the Company and its ultimate parent undertaking and therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Accounting policies (continued)

1.6 Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

1.7 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Accounting policies (continued)

1.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 20-25 years
S/Term leasehold property	- over the life of the lease
Plant and machinery	- 3-20 years
Fixtures and fittings	- 3-4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.9 Investments

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Costs includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 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.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

The Company's financial assets include trade and other receivables.

Debt instruments at fair value through profit or loss

Debt instruments are subsequently measured at fair value where they are financial assets held within a business model whose objective is to sell the financial asset, 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.

Any fair value gains or losses at each reporting period is recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Debt instruments at fair value through profit or loss (continued)

In addition financial assets where the contractual terms of the financial asset do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are also subsequently measured at fair value.

Debt instruments at amortised cost

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

Impairment of financial assets

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

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

Financial liabilities

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

The Company's financial liabilities include trade and other payables.

The subsequent measurement of financial liabilities depends on their classification, as described below:

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

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 an enforceable legal right to offset and there is an intention to settle on a net basis.

1.12 Government grants

Government and similar grants received for the acquisition of assets are recognised only when there is reasonable assurance that they will be received and any conditions attached to them have been fulfilled. The grant is held in the Balance Sheet within deferred income and released to the Statement of Comprehensive Income over the periods necessary to match the related depreciation charges or other expenses of the asset as they are incurred.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. Accounting policies (continued)

1.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.15 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.

1.16 Pensions

During the year, the Company participated in the Hanson Industrial Pension Scheme (Defined Benefit Section). Funds are held externally under the supervision of the corporate trustee.

The Hanson Industrial Pension Scheme is a group defined benefit plan which is participated in by entities under common control. As such the net defined benefit cost is recognised in the financial statements of Hanson Quarry Products Europe Limited, a fellow group undertaking, which is considered to be legally responsible for the plan on the basis that it is too difficult to reasonably allocate the Company's share of the Scheme's assets and liabilities on a consistent and reasonable basis. All other group entities recognise a cost equal to their contribution payable for the period.

The Company also participated in the Hanson Industrial Pension Scheme (Defined Contribution Section). Company contributions are expensed to the Statement of Comprehensive Income as incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Accounting policies (continued)

1.17 Interest income

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

1.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Provisions for the expected costs of rectification, kiln repairs and rationalisation are charged against profits when required. The effect of the time value of money is not material and therefore the provisions are not discounted.

1.19 Current and deferred taxation

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.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

However, for taxable temporary differences associated with investment in subsidiaries, branches and associates, and interests in joint ventures, a deferred tax liability shall be recognised in accordance with IAS 12.39.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

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 2025**

1. Accounting policies (continued)

1.20 Exceptional items

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

1.21 Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the assets begins when development is completed and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

1.22 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Leases for quarries do not fall within the scope of IFRS 16. These leases are considered pending transactions and the expenses are recognised in the material costs in the period in which they arise.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The interest rates were calculated on the basis of the remaining term of the leases.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Accounting policies (continued)

1.23 Leases (continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the Tangible Fixed Assets in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in Exceptional Items.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

Impairment of goodwill and other non-current assets

A cash flow-based method in accordance with IAS 36 (Impairment of Assets) is used to determine the recoverable amount of cash-generating units as part of the impairment test for goodwill and other non-current assets. In particular, estimates are required in relation to future cash flows of the groups of cash generating units as well as to the discount rates used (discounted cash flow method). A change in the influencing factors may have a significant impact on the existence or amount of impairment losses. Goodwill is allocated at the lowest level within the entity at which goodwill is monitored for internal management purposes and the impairment assessment of goodwill is performed at that level accordingly. Explanations concerning the composition of the carrying amount of goodwill and the impairment test are provided in note 14.

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.

Restoration and other provisions

Provisions for damages and environmental obligations are measured on the basis of an extrapolation of the claims and estimates of the development of costs. A change in the influencing parameters may have an impact on the income statement as well as the amounts recognised in the Balance Sheet. The recognition and measurement of the other provisions are based on estimates of the probabilities of future outflow of resources and on the basis of empirical values and the circumstances known at the reporting date. The actual outflow of resources may differ from the outflow of resources expected at the reporting date and may have an impact on the recognition and measurement. Further explanations on provisions can be found in note 24.

3. Turnover

All turnover arose within the United Kingdom.

Invoicing to customers of the Company is undertaken by Castle Cement Limited, a fellow subsidiary undertaking, who acts as agent.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4. Other operating income

	2025 £000	2024 £000
Other operating income	152	1,439
Rental income	585	-
Intra group recharges	407	885
R&D Tax credits	10	-
Foreign exchange gains	467	498
	<u>1,621</u>	<u>2,822</u>

5. Other operating expenses

	2025 £000	2024 £000
Selling and administrative expenses	577	140
Distribution expenses	11,551	13,558
Expenses for third party repairs and services	1,205	896
Rental and leasing expenses	695	560
Foreign exchange losses	411	401
Loss on disposal of tangible assets	111	-
Other expenses	8,027	7,797
	<u>22,577</u>	<u>23,352</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Exceptional items

	2025 £000	2024 £000
Impairment of goodwill	(19,571)	-
Reversal of impairment/(impairment) of fixed asset investments	78	(254)
Impairment of tangible fixed assets	(2,738)	-
Restructuring (costs)/income	(264)	150
	<u>(22,495)</u>	<u>(104)</u>

At the year end, an assessment of fixed assets resulted in an additional impairment charge of £19,571,000 against goodwill, following a recalculation of the Company's future cash flows based on the expected remaining lifespans of the Company's sites.

During the year the Company partially released the impairment against its investment in Civil and Marine (Holdings) Limited by £78,000 (2024 - impaired investment by £254,000) to bring the carrying amount in line with the underlying net assets, as a result of the improvement (2024 - deterioration) in performance of the Company's operating subsidiaries.

An assessment of fixed assets resulted in an additional impairment charge of £2,738,000 against tangible fixed assets at the Company's site at Port Talbot as a result of a deterioration in trading.

In the current year, the Company incurred £264,000 of employee related costs in respect of redundancy arising from restructuring activities.

In the prior year, the Company released the onerous lease provision of £57,000 and a rates accrual for £93,000 relating to closed operating sites.

7. Dividends

An interim dividend of £30,300,000 (2024 - £40,400,000) was paid during the year.

8. Staff costs

	2025 £000	2024 £000
Wages and salaries	3,133	3,200
Social security costs	393	350
Other pension costs	299	301
	<u>3,825</u>	<u>3,851</u>

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £1,469,000 (2024: £1,651,000) which was paid by fellow subsidiary undertakings. The Directors do not believe that it is practical to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

CIVIL AND MARINE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****8. Staff costs (continued)**

The average monthly number of employees, including the Directors, during the year was as follows:

	2025 No.	2024 No.
Production and distribution	45	48
Management, selling and administration	13	13
	<u>58</u>	<u>61</u>

9. 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.

10. Income from shares in group undertaking

During the year, the Company received a dividend of £153,000 (2024: £612,000) from its subsidiary undertaking, Civil and Marine (Holdings) Limited.

11. Interest receivable and similar income

	2025 £000	2024 £000
Interest receivable from group companies	10,905	13,388
Unwind of discount on rental income	42	43
	<u>10,947</u>	<u>13,431</u>

12. Interest payable and similar expenses

	2025 £000	2024 £000
Interest on overdue corporation tax	-	918
Interest on lease liabilities	182	183
Other interest payable	80	19
	<u>262</u>	<u>1,120</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

13. Taxation

	2025 £000	2024 £000
Current tax		
Current UK Corporation tax on profits for the year	3,851	9,316
Adjustments in respect of previous periods	(4,678)	2,588
Total current tax	<u>(827)</u>	<u>11,904</u>
Deferred tax		
Origination and reversal of timing differences	(479)	204
Adjustments in respect of prior years	33	(24)
Total deferred tax	<u>(446)</u>	<u>180</u>
Tax (credit)/charge on profits	<u>(1,273)</u>	<u>12,084</u>

Reconciliation of the tax charge for the year

The tax assessed for the year is lower than (2024 - higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%). The differences are explained below:

	2025 £000	2024 £000
(Loss)/profit before tax	<u>(2,313)</u>	<u>42,641</u>
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	(578)	10,660
Effects of:		
Non-tax deductible amortisation of goodwill and intangibles	4,964	129
Expenses not deductible for tax purposes other than amortisation	33	73
Adjustments in respect of prior years	(4,645)	2,564
Non-taxable income	(66)	(159)
Transfer pricing adjustments	(981)	(1,183)
Total tax (credit)/charge for the year	<u>(1,273)</u>	<u>12,084</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

14. Goodwill

	2025 £000
Cost	
At 1 January 2025	80,379
At 31 December 2025	<u>80,379</u>
Amortisation	
Charge for the year	19,571
At 31 December 2025	<u>19,571</u>
Net book value	
At 31 December 2025	<u><u>60,808</u></u>
At 31 December 2024	<u><u>80,379</u></u>

The goodwill arose on the transfer of trade and assets into the Company.

The Companies Act 2006 requires goodwill to be reduced by amortisation on a systematic basis over a period chosen by the directors as its useful economic life. However, under IFRS 3 Business Combinations goodwill on a systematic basis is not amortised. Consequently, the Company does not amortise goodwill; but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a "true and fair view override" to overcome the prohibition on the non-amortisation of goodwill in accordance with the Companies Act 2006.

Sensitivity analysis has been performed on the impairment of goodwill and it is noted that a 1% increase in the discount rate used, from 10.6% to 11.6%, would result in an impairment of £22,965,000. A 1% decrease in the discount rate used, from 10.6% to 9.6%, would result in an impairment of £15,932,000. Additionally, assuming a lower long-term growth rate (MPA) of 1.4%, compared to the base case growth rate of 2%, while maintaining the discount rate at 10.6%, would result in an impairment of £25,351,000.

If the Company had amortised goodwill on a systematic basis, a period of 20 years would have been chosen as its useful economic life. Profit for the year would have been £5,742,000 lower (2024 - £5,742,000 lower) if goodwill had been amortised on this basis.

At the year end, an assessment of fixed assets resulted in an additional amortisation charge of £19,571,000 against goodwill, following a recalculation of the Company's future cash flows based on the expected remaining lifespans of the Company's sites.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

15. Other Intangible Assets

	Supply Agreements £000
Cost	
At 1 January 2025	9,051
At 31 December 2025	<u>9,051</u>
Amortisation	
At 1 January 2025	7,637
Charge for the year on owned assets	283
At 31 December 2025	<u>7,920</u>
Net book value	
At 31 December 2025	<u>1,131</u>
At 31 December 2024	<u>1,414</u>

The balance relates to supply agreements which end in 2029.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

16. Tangible fixed assets

	S/Term Leasehold Property £000	Plant and machinery £000	Fixtures and fittings £000	Freehold and L/Term Property £000	Total £000
Cost or valuation					
At 1 January 2025	28	37,011	192	11,128	48,359
Additions	-	442	-	513	955
Transfer from provisions	-	14	-	-	14
Disposals	-	(337)	-	(1)	(338)
At 31 December 2025	28	37,130	192	11,640	48,990
Depreciation					
At 1 January 2025	28	27,141	192	4,031	31,392
Charge for the year on owned assets	-	974	-	111	1,085
Charge for the year on right-of-use assets	-	61	-	179	240
Disposals	-	(233)	-	(1)	(234)
Impairment charge	-	2,053	-	685	2,738
At 31 December 2025	28	29,996	192	5,005	35,221
Net book value					
At 31 December 2025	-	7,134	-	6,635	13,769
At 31 December 2024	-	9,870	-	7,097	16,967

An assessment of fixed assets resulted in an additional impairment charge of £2,738,000 due to a deterioration in trading, £2,053,000 against Plant and machinery and £685,000 against property. The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2025 £000	2024 £000
Tangible fixed assets owned	11,491	14,721
Right-of-use tangible fixed assets	2,278	2,246
	<u>13,769</u>	<u>16,967</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

16. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2025 £000	2024 £000
Property	2,210	2,115
Plant and machinery	68	131
	<u>2,278</u>	<u>2,246</u>

Depreciation charge for the year ended

	2025 £000	2024 £000
Property	179	376
Plant and machinery	61	52
	<u>240</u>	<u>428</u>

Impairment for the year ended

	2025 £000	2024 £000
Property	239	-
Plant and machinery	33	-
	<u>272</u>	<u>-</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. Fixed asset investments

	Investments in subsidiary company £000
Cost	
At 1 January 2025 and 31 December 2025	248,071
Impairment	
At 1 January 2025	157,611
Reversal of impairment for the year	(78)
At 31 December 2025	157,533
Net book value	
At 31 December 2025	90,538
At 31 December 2024	90,460

During the current year the Company partially released the impairment against its investment in Civil and Marine (Holdings) Limited by £78,000 to bring the carrying amount in line with the underlying net assets, as a result of the improvement in performance of the Company's operating subsidiaries.

Direct subsidiary undertakings

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
Civil and Marine (Holdings) Limited	England and Wales	Ordinary	100%	Investment holding company

The registered office of Civil and Marine (Holdings) Limited is Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. 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
Appleby Group Limited	England and Wales	Ordinary	100%	Investment holding company
Calumite Limited	England and Wales	Ordinary	51%	Manufacture of glass making materials
Calumite s.r.o. *	Czech Republic	Shares	100%	Manufacture of glass making materials
Rezincote (1995) Limited	England and Wales	Ordinary	100%	Dormant
Civil and Marine Slag Cement Limited	England and Wales	Ordinary	100%	Investment holding company
The Purfleet Ship to Shore Conveyor Company Limited	England and Wales	"B" Ordinary	100%	Group finance company

* The effective holding in Calumite s.r.o., which is owned by Calumite Limited, is 51%.

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

The registered office of Calumite s.r.o. is Lihovarská 636/44, Ostrava - Kuncicky, 718 00, Czech Republic.

18. Stocks

	2025 £000	2024 £000
Raw materials and consumables	30,671	26,631
Consumables stock and spares	1,983	2,065
Finished goods and goods for resale	2,230	2,321
	<u>34,884</u>	<u>31,017</u>

Replacement costs of stock

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

19. Debtors

	2025 £000	2024 £000
Due after more than one year		
Amounts owed by group undertakings	90,000	120,000
Rents receivable	1,032	1,403
	<u>91,032</u>	<u>121,403</u>

Included within amounts owed by group undertakings is a loan note of £nil (2024 - £30,000,000) which accrues interest at 4.75338% per annum and matures on 19 December 2026, a loan note of £30,000,000 (2024 - £30,000,000) which accrues interest at 4.714% per annum and matures on 19 December 2027, a loan note of £30,000,000 (2024 - £30,000,000) which accrues interest at 4.8775% per annum and matures on 19 December 2028 and a loan note of £30,000,000 (2024 - £30,000,000) which accrues interest at 4.909% per annum and matures on 19 December 2029. All amounts are unsecured.

	2025 £000	2024 £000
Due within one year		
Trade debtors	266	58
Amounts owed by group undertakings	133,451	117,898
Other debtors	854	361
Rent receivable	319	217
Corporation tax recoverable	8,070	3,718
	<u>142,960</u>	<u>122,252</u>

Included within amounts owed by group undertakings is an amount of £19,709,000 (2024 - £81,509,000) which is unsecured, repayable on demand and accrues interest at SONIA (2024 - SONIA) and an amount of \$1,790,000 (£1,328,000) (2024 - \$5,342,000 (£4,270,000)) which is unsecured, repayable on demand and accrues interest at overnight SOFR (2024 - SOFR). Also included is an amount owed by group undertakings of £80,000,000 (2024 - £nil) which is unsecured, repayable on 5 January 2026 and accrues interest at a rate of 3.7316%.

Also included within amounts owed by group undertakings is a loan note of £nil (2024 - £30,000,000) which was unsecured, accrued interest at 4.92238% per annum and matured on 19 December 2025 and a loan note of £30,000,000 (2024 - £nil) which is unsecured, accrues interest at 4.75338% per annum and matures on 19 December 2026.

The remaining balance is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

CIVIL AND MARINE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025****20. Creditors: Amounts falling due within one year**

	2025 £000	2024 £000
Trade creditors	5,131	2,933
Amounts owed to group undertakings	98,695	92,609
Lease liabilities	1,069	845
Other creditors	802	1,602
Accruals and deferred income	3,939	8,640
	<u>109,636</u>	<u>106,629</u>

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

21. Creditors: Amounts falling due after more than one year

	2025 £000	2024 £000
Lease liabilities	<u>4,024</u>	<u>4,054</u>

22. Leases**Company as a lessee**

The Company leases property as well as vehicles used by its employees.

Lease liabilities are due as follows:

	2025 £000	2024 £000
Not later than one year	1,069	845
Between one year and five years	3,175	3,208
Later than five years	849	846
	<u>5,093</u>	<u>4,899</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2025 £000	2024 £000
Interest expense on lease liabilities	<u>182</u>	<u>183</u>

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

23. Deferred taxation

	2025 £000	2024 £000
At beginning of year	(682)	(502)
Charged to the Statement of Comprehensive Income	446	(180)
At end of year	(236)	(682)

The deferred taxation liability is made up as follows:

	2025 £000	2024 £000
Accelerated capital allowances	(348)	(788)
Other temporary differences	112	106
	(236)	(682)

24. Provisions

	Restoration provision £000	Other provisions £000	Total £000
At 1 January 2025	417	103	520
Charged to profit or loss	1	108	109
Transfer to fixed assets	14	-	14
Unwind of discount	19	-	19
Utilised in year	-	(103)	(103)
At 31 December 2025	451	108	559

Restoration provision

The restoration provision is held to cover the costs of restoring land to its original state. The costs will be incurred over the useful life of the land, most of which is over 12 months. Provisions for terminal restoration have been discounted at 3.848% (2024 - 4.339%) per annum on current prices and where appropriate have been established after taking account of the advice of suitably qualified and experienced consultants and after establishing the costs in line with current practice and standards. All amounts greater than 12 months are discounted.

Other provisions

Other provisions relate to employee bonuses.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

25. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
101 (2024 - 101) ordinary shares of £1 each	101	101

26. Pension commitments

During the year, the Company participated in the defined benefit section of the Hanson Industrial Pension Scheme (the "Scheme") and relevant employees are eligible for benefits under this funded defined benefit Scheme. Funds are held externally under the supervision of the corporate trustee (the "Trustee"). The Company participates in the Scheme along with several other UK companies forming part of the Heidelberg Materials AG group (the "Group").

The results of the latest funding valuation at 31 December 2024 have been adjusted to the balance sheet date by an independent actuary from AON Hewitt Limited taking account of experience over the period since 31 December 2024, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation, and the related current service cost, were measured using the Projected Unit Credit Method.

The Scheme was closed to future accrual in September 2010. Scheme assets are stated at their market values at the respective balance sheet dates.

In the prior year, another defined benefit pension scheme, the Hanson No. 2 Pension Scheme ("Hanson No. 2 Scheme"), previously sponsored by Hanson Building Materials Limited, was merged into the Scheme. The transaction resulted in the transfer of the defined benefit pension assets and obligations into the Scheme. The merger did not result in any changes to the benefits provided to the members of either scheme.

The assets and liabilities of the Scheme are recognised in the financial statements of Hanson Quarry Products Europe Limited and the balances at 31 December were:

	2025 £000	2024 £000
Scheme assets at fair value		
Cash and cash equivalents	53,202	134,639
Equity	185,977	154,495
Interest rate swaps	-	(1,771)
Nominal government bonds	488,613	480,853
Nominal corporate bonds	109,617	109,292
Index linked bonds	635,228	629,071
Real estate	13,073	15,372
Insurance policies	31,662	43,107
Fair value of Scheme assets	1,517,372	1,565,058
Present value of Scheme liabilities	(1,070,742)	(1,123,837)
Defined benefit Scheme assets	446,630	441,221

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. Pension commitments (continued)

Scheme assets can be further disaggregated as:

Equity

- Investment of £78,594,000 is in a pooled investment world equity fund with inputs based on indirectly observable quoted prices
- Investment of £107,383,000 is in a pooled investment infrastructure equity fund with inputs that are unobservable.

Interest rate swaps

- Interest rate swaps have inputs that are unobservable.

Real estate

- Investments in property funds are unlisted and the inputs are unobservable.

The value of the "buy-in" insurance policies held in the name of the Trustee has been set equal to the value of the matched liabilities.

The Company and Trustee have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the Scheme by investing in assets such as swaps which perform in line with the liabilities of the Scheme so as to protect against inflation being higher than expected.

The Trustee aims to achieve the Scheme's investment objectives through investing partly in a diversified mix of growth assets which, over the long term, are expected to grow in value by more than low risk assets like cash and gilts. This is done within a broad liability driven investing framework that uses cash, gilts and other hedging instruments like swaps in a capital efficient way. In combination this efficiently captures the Trustee risk tolerances and return objectives relative to the Scheme's liabilities. A number of investment managers are appointed to promote diversification by assets, organisation and investment style.

The Scheme has not invested directly in any of the Group's own financial instruments nor in properties or other assets used by the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**
26. Pension commitments (continued)

The main actuarial assumptions used in the valuation are set out below:

	2025 %	2024 %
Rate of salary increases*	2.81	3.20
Rate of increase in pension payments LPI 5%	2.67	2.90
Discount rate	5.41	5.45
RPI inflation assumption	2.80	3.10
CPI inflation assumption	2.31	2.70

* For 2025 this reflects CPI inflation + 0.5% p.a. (2024 - CPI inflation + 0.5% p.a.).

The mortality assumptions are based on recent actual mortality experience of members within the Scheme with an allowance for future improvements. The assumptions mean that a member currently aged 65 is expected to live on average for a further 21.9 years if they are male (2024: 20.9 years) and for a further 23.7 years if they are female (2024: 22.9 years).

For a member who retires in 2046 (2024: 2045) at the age of 65 the assumptions are that they will live on average for a further 22.4 years after retirement if they are male (2024: 21.8 years), and for a further 24.6 years after retirement if they are female (2024: 24.0 years).

Sensitivity analysis

The sensitivity of the present value of Scheme liabilities to changes in the principal assumptions used is set out below.

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease 0.5%	Decrease 5% / increase 5%
Rate of pension increases	Increase / decrease 0.25%	Increase 2% / decrease 2%
Life expectancy	Increase / decrease 1 year	Increase 4% / decrease 4%

The above sensitivity analyses are based on a change in an assumption, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the pension liability recognised within the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

26. Pension commitments (continued)

Changes in present value of the defined benefit obligations are analysed as follows:

	2025 £000	2024 £000
Opening defined benefit obligation	1,123,837	1,102,662
Hanson No. 2 Scheme merger	-	124,097
Current service cost	1,887	2,023
Interest cost	59,015	48,469
Actuarial gains on Scheme liabilities	(32,023)	(78,595)
Net benefits paid out	(81,974)	(74,819)
	<u>1,070,742</u>	<u>1,123,837</u>
Closing defined benefit obligation		

The actuarial gains on Scheme liabilities can be broken down into effects from the adjustment of financial assumptions resulting in a gain of £19,753,000 (2024 gain - £82,383,000), effects from experience adjustments resulting in a gain of £18,954,000 (2024 loss - £5,774,000), and effects from changes in demographic assumptions resulting in a loss of £6,684,000 (2024 gain - £1,986,000).

Changes in the fair value of the Scheme assets are analysed as follows:

	2025 £000	2024 £000
Opening fair value of Scheme assets	1,565,058	1,586,639
Hanson No. 2 Scheme merger	-	126,598
Expected return on Scheme assets	82,460	70,014
Administrative expenses paid by the Scheme	(2,722)	(2,189)
Actuarial losses on Scheme assets	(26,100)	(122,448)
Contributions paid by the employers	(19,350)	(18,737)
Net benefits paid out	(81,974)	(74,819)
	<u>1,517,372</u>	<u>1,565,058</u>
Closing fair value of Scheme assets		

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

26. Pension commitments (continued)

Amounts for the current and previous four years:

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Fair value of Scheme assets	1,517,372	1,565,058	1,586,639	1,612,346	2,325,635
Defined benefit obligation	(1,070,742)	(1,123,837)	(1,102,662)	(1,103,983)	(1,686,298)
Surplus in Scheme	446,630	441,221	483,977	508,363	639,337
Experience losses on Scheme assets	(26,100)	(122,448)	(12,635)	(675,653)	(892)
Experience gains/(losses) on Scheme liabilities *	18,954	(5,774)	(9,726)	(8,974)	(6,177)

* This item consists of gains/(losses) in respect of liability experience only and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

UK legislation requires that pension schemes are funded prudently. The latest funding valuation as at 31 December 2024 was agreed on 30 March 2026. The valuation showed a surplus of £358,500,000, therefore no deficit recovery contributions are required. As part of the valuation it has been agreed that the Company will pay no contributions in respect of death in service, incapacity retirement and redundancy retirement benefits. Expenses, including levies payable to the Pensions Protection Fund (PPF) are met out of the Scheme assets. The next funding valuation is due with an effective date no later than 31 December 2027.

The Scheme also has a contingent funding mechanism in place whereby further contributions are payable to the Scheme based on operating income targets agreed between the employers and the Trustee. Once the Scheme is in surplus, contingent funding mechanism contributions are no longer payable.

The Company has guaranteed a proportion of the funding obligations that the other funding sponsors of the Scheme have to that Scheme. In addition, the ultimate parent undertaking, Heidelberg Materials AG has guaranteed the entire funding obligations of the Scheme.

The Scheme is recognised on the balance sheet of Hanson Quarry Products Europe Limited as this entity is considered to bear the risks relating to the plan due to the proportion of members employed by the entity. The number of current and deferred members employed directly by the Company is an insignificant percentage of the total membership.

Hanson Quarry Products Europe Limited recognises the Scheme surplus in accordance with the requirements of IFRIC 14. The Trustee of the Scheme does not have the unilateral right to commence wind-up of the Scheme. Thus, the Company assumes that the Scheme continues in existence until the last benefit payments are made to members, at which point any residual assets are returned to the employer in line with the rules of the Scheme.

CIVIL AND MARINE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

27. 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:

	2025 £000	2024 £000
Amounts owed by ultimate parent undertaking	101,102	85,779
Amounts owed by immediate parent undertaking	120,184	150,238
Amounts owed by indirect subsidiary undertakings	268	365
Amounts owed by fellow group subsidiary undertakings	1,896	1,516
Amounts owed to ultimate parent undertaking	(264)	-
Amounts owed to indirect subsidiary undertakings	(87,949)	(87,949)
Amounts owed to fellow group subsidiary undertakings	(10,482)	(4,660)
	<u>124,755</u>	<u>145,289</u>

The Company has entered into a protocol agreement with Calumite Limited ('Calumite'), a non-wholly owned indirect subsidiary undertaking. Under the protocol agreement the Company performs many of Calumite's day to day transactions for which Calumite reimburses the Company.

The fees charged by the Company for providing management services were £57,636 (2024 - £56,400). The fees charged by the Company for administrative, technical and support services were £373,750 (2024 - £361,322) and other recharges relating to buildings, rentals and insurance were £500,228 (2024 - £394,829). At the year end a balance of £269,710 (2024 - £367,053) was due from Calumite.

Calumite provides administrative services to the Company for which it charged a fee during the year of £6,372 (2024 - £6,240). At the year end £nil (2024 - £nil) was due to Calumite.

28. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Hanson Holdings 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.