

Registered number: 02362176

HANSON BUILDING MATERIALS EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

HANSON BUILDING MATERIALS EUROPE LIMITED

COMPANY INFORMATION

Directors	N Benning-Prince R C Dowley E A Gretton A Quilez Somolinos
Company secretary	W F Rogers
Registered number	02362176
Registered office	Second Floor Arena Court Crown Lane Maidenhead Berkshire SL6 8QZ
Independent auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Bristol BS2 0FR

HANSON BUILDING MATERIALS EUROPE LIMITED

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HANSON BUILDING MATERIALS EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Business review

The Company is a group investment holding company.

On 8 June 2023 the Company received a dividend in specie of £243,901,000 from its subsidiary, Hanson Facing Bricks Limited which was satisfied by the assignment of intercompany receivables due from Hanson Limited, Houserate Limited and Hanson Quarry Products Europe Limited of £208,921,000, £716,000 and £34,264,000 respectively. Subsequently, the Company impaired its investment in Hanson Facing Bricks Limited by £243,901,000 to bring the carrying value in line with the underlying assets. This has been treated as an exceptional item.

On 7 December 2023 the Company declared a dividend in specie of £283,416,000 which was satisfied by the assignment of intercompany receivables due from Hanson Limited, Houserate Limited, Hanson Quarry Products Europe Limited, Hanson Retail Limited and Hanson Quarry Products Ventures Limited of £210,905,000, £1,312,000, £34,264,000, £12,945,000 and £23,990,000 respectively.

On 19 December 2023 the Company received a cash dividend of £25,200,000 from its subsidiary, Hanson Building Products (2003) Limited and then subsequently paid out all the funds received as a cash dividend of £25,200,000.

At the year end the Company partially impaired its investment in Hanson Building Products (2003) Limited by £5,124,000 and partially released the impairment against its investment in Hanson Quarry Products Ventures Limited by £923,000 to bring the carrying values in line with the recoverable amounts. The impairment and release of impairment have been treated as exceptional items.

Section 172(1) Statement

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

During the year, the Directors approved the capital reduction and subsequent dividend in specie from its subsidiary, Hanson Facing Bricks Limited and received a cash dividend from its subsidiary, Hanson Building Products (2003) Limited. Subsequently the Company declared a dividend in specie of £283,416,000 and paid a cash dividend of £25,200,000 to repatriate surplus assets no longer required by the business to the shareholder. Prior to declaration of the dividend in specie, the Company actively engaged with its shareholder to agree the appropriate course of action.

Principal risks and uncertainties

The Company's results arise from transactions with fellow group undertakings in the group headed by Heidelberg Materials AG. The Directors are therefore of the opinion that the Company is not directly exposed to significant risks and uncertainty; however, by the very nature of its activities, the Company is indirectly exposed to similar risks and uncertainties to those faced by other group companies. Details of the proposed risks and uncertainties facing the group headed by Heidelberg Materials AG are disclosed in the financial statements of that Company.

Discount rate risk

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

HANSON BUILDING MATERIALS EUROPE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

This report was approved by the board on 26 September 2024 and signed on its behalf.

A handwritten signature in black ink that reads "Wendy F Rogers". The signature is written in a cursive, flowing style.

W F Rogers
Secretary

HANSON BUILDING MATERIALS EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

Results and dividends

The profit for the year, after taxation, amounted to £20,998,000 (2022 - £27,170,000).

Interim dividends totalling £308,616,000 (2022 - £30,800,000) were paid during the year. The Directors do not recommend the payment of a final dividend (2022 - £nil).

Future developments

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

Going concern

The Company has limited activity outside of the Heidelberg Materials AG group and therefore its on-going activity is dependent on the operational activity of the Heidelberg Materials AG group.

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

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

Directors

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

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

Directors' indemnity

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

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

HANSON BUILDING MATERIALS EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosure of information to auditors

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

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

Independent auditors

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

This report was approved by the board on 26 September 2024 and signed on its behalf.



W F Rogers
Secretary

HANSON BUILDING MATERIALS EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 United Kingdom Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The Responsibility Statement was approved by the board on 26 September 2024 and signed on its behalf.



W F Rogers
Secretary

Report on the audit of the financial statements

Opinion

In our opinion, Hanson Building Materials Europe Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON BUILDING MATERIALS EUROPE LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON BUILDING MATERIALS EUROPE LIMITED

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

- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence;
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations;
- Inquiries of management in respect of any known or suspected instances of non compliance with laws and regulations and fraud;
- Challenging management on key accounting estimates and auditing the assumptions to supporting third party documentation where applicable.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting


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

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

HANSON BUILDING MATERIALS EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANSON BUILDING MATERIALS EUROPE LIMITED

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink that reads "Stuart Couch". The signature is written in a cursive, slightly slanted style.

Stuart Couch (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
27 September 2024

HANSON BUILDING MATERIALS EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Exceptional items - Impairment of fixed asset investments and release of impairment of fixed asset investments	6	(248,103)	(3,630)
Operating loss		<u>(248,103)</u>	<u>(3,630)</u>
Income from fixed assets investments		269,101	30,800
Profit before tax		<u>20,998</u>	<u>27,170</u>
Tax on profit	7	-	-
Profit for the financial year		<u>20,998</u>	<u>27,170</u>
Total comprehensive income for the year		<u>20,998</u>	<u>27,170</u>

All amounts relate to continuing operations.

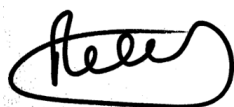
The notes on pages 13 to 19 and Appendix I form part of these financial statements.

HANSON BUILDING MATERIALS EUROPE LIMITED
REGISTERED NUMBER: 02362176

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	9	273,434	521,536
Current assets			
Debtors: amounts falling due within one year	10	10	39,526
Net assets		<u>273,444</u>	<u>561,062</u>
Capital and reserves			
Called up share capital	11	3,134	3,134
Profit and loss account		270,310	557,928
Total equity		<u>273,444</u>	<u>561,062</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 September 2024.



R C Dowley
Director

The notes on pages 13 to 19 and Appendix I form part of these financial statements.

HANSON BUILDING MATERIALS EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2022	3,134	561,558	564,692
Comprehensive income for the year			
Profit for the year	-	27,170	27,170
Contributions by and distributions to owners			
Dividend paid	-	(30,800)	(30,800)
At 1 January 2023	<u>3,134</u>	<u>557,928</u>	<u>561,062</u>
Comprehensive income for the year			
Profit for the year	-	20,998	20,998
Contributions by and distributions to owners			
Dividend paid	-	(308,616)	(308,616)
At 31 December 2023	<u><u>3,134</u></u>	<u><u>270,310</u></u>	<u><u>273,444</u></u>

The notes on pages 13 to 19 and Appendix I form part of these financial statements.

HANSON BUILDING MATERIALS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Heidelberg Materials AG as at 31 December 2023 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 2023**

2. Accounting policies (continued)

2.3 Going concern

The Company has limited activity outside of the Heidelberg Materials AG group and therefore its on-going activity is dependent on the operational activity of the Heidelberg Materials AG group.

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

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

2.4 Investments

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

2.5 Financial instruments

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

Financial assets

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.6 Current tax

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

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

2.7 Dividends

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

2.8 Exceptional items

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

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

Impairment of investments

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

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

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

Recoverability of amounts owed by group undertakings

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

4. Auditors' remuneration

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

HANSON BUILDING MATERIALS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

5. Staff costs

The average monthly number of employees, including the Directors, during the year was nil (2022 - nil).

The Directors of the Company are also directors of a number of the group's fellow subsidiaries. The Directors received total remuneration of £1,116,000 (2022 - £967,000), which was paid by various fellow subsidiaries. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies.

6. Exceptional items

	2023	2022
	£000	£000
Release of impairment of fixed asset investments	923	-
Impairment of fixed asset investments	(249,025)	(3,630)
Provision against amounts owed by group undertakings	(1)	-
	<u>(248,103)</u>	<u>(3,630)</u>

During the year the Company partially impaired its investment in Hanson Facing Bricks Limited by £243,901,000, to bring the carrying value in line with the underlying net assets following the receipt of a dividend in specie. Net assets has been used as an approximation of fair value less cost of disposal.

At the year end the Company partially impaired its investment in Hanson Building Products (2003) Limited by £5,124,000 and partially released the impairment against its investment in Hanson Quarry Products Ventures Limited by £923,000 to bring the carrying values in line with the recoverable amounts.

In the prior year the Company partially impaired its investments in Hanson Building Products (2003) Limited by £2,322,000, following the receipt of a dividend, and Hanson Quarry Products Ventures Limited by £1,308,000 to bring the carrying values in line with the recoverable amounts.

7. Tax

	2023	2022
	£000	£000
Current tax		
Current UK corporation tax on profit for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

HANSON BUILDING MATERIALS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7. Tax (continued)

Reconciliation of the tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit before tax	20,998	27,170
Profit before tax multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	4,935	5,162
Effects of:		
Non-tax deductible impairment of fixed asset investments	58,304	690
Non-taxable income	(63,239)	(5,852)
Group relief	(241)	(169)
Transfer pricing adjustments	241	169
Total tax charge for the year	-	-

Change in corporation tax rate

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

8. Dividends paid

	2023 £000	2022 £000
Dividends paid on 'A' Ordinary shares	305,259	30,465
Dividends paid on 'B' Ordinary shares	3,357	335
	308,616	30,800

On 7 December 2023 the Company declared a dividend in specie of £283,416,000 which was satisfied by the assignment of intercompany receivables due from Hanson Limited, Houserate Limited, Hanson Quarry Products Europe Limited, Hanson Retail Limited and Hanson Quarry Products Ventures Limited of £210,905,000, £1,312,000, £34,264,000, £12,945,000 and £23,990,000 respectively.

On 19 December 2023 the Company paid a cash dividend of £25,200,000.

In the prior year the Company paid a cash dividend of £30,800,000.

HANSON BUILDING MATERIALS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2023 and 31 December 2023	2,765,827
Impairment	
At 1 January 2023	2,244,291
Charge for the period	249,025
Reversal of impairment losses	(923)
At 31 December 2023	2,492,393
Net book value	
At 31 December 2023	273,434
At 31 December 2022	521,536

During the year the Company partially impaired its investment in Hanson Facing Bricks Limited by £243,901,000, to bring the carrying value in line with the underlying net assets following the receipt of a dividend in specie. Net assets has been used as an approximation of fair value less cost of disposal.

At the year end the Company partially impaired its investment in Hanson Building Products (2003) Limited by £5,124,000 and partially released the impairment against its investment in Hanson Quarry Products Ventures Limited by £923,000 to bring the carrying values in line with the recoverable amounts.

Subsidiary undertakings

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

Name	Country of incorporation	Class of shares	Holding	Principal activity
Hanson Facing Bricks Limited	England and Wales	Ordinary	100%	Investment holding company
Hanson Building Products (2003) Limited	England and Wales	Ordinary	100%	Investment holding company
Hanson Quarry Products Ventures Limited	England and Wales	Ordinary	100%	Investment holding company

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

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

HANSON BUILDING MATERIALS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10. Debtors

	2023 £000	2022 £000
Due within one year		
Amounts owed by group undertakings	10	39,526

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

11. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
3,099,814 (2022 - 3,099,814) 'A' ordinary shares of £1 each	3,100	3,100
34,088 (2022 - 34,088) 'B' ordinary shares of £1 each	34	34
	<u>3,134</u>	<u>3,134</u>

The 'A' and 'B' ordinary shares rank pari passu in all respects, except that different amounts of dividend may be paid on each class of share.

12. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of FRS102 not to disclose transactions with wholly owned subsidiaries in the group headed by Heidelberg Materials AG. Balances outstanding at 31 December with related parties, are as follows:

	2023 £000	2022 £000
Amounts owed by direct subsidiary undertaking	10	24,000
Amounts owed by indirect parent undertaking	-	1,984
Amounts owed by fellow group subsidiary undertakings	-	13,542
	<u>10</u>	<u>39,526</u>

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Hanson Quarry Products Europe 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.

HANSON BUILDING MATERIALS EUROPE LIMITED

APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS AT 31 DECEMBER 2023

Name	Country of incorporation	Group ownership %	Registered office
A.R.C. (Western) Limited	England and Wales	100	*
ARC Concrete (Anglia) Limited	England and Wales	100	*
ARC South Wales Limited	England and Wales	100	*
ARC South Wales Mortar Limited	England and Wales	100	*
ARC South Wales Quarries Limited	England and Wales	100	*
ARC South Wales Surfacing Limited	England and Wales	100	*
Cloughton Manor Brick Limited (The)	England and Wales	100	*
Drew Group Holdings Limited	England and Wales	49	Caird Avenue, BH25 5PX New Milton, United Kingdom
F.C. Precast Concrete Limited	England and Wales	100	*
Hanson Aggregates Marine Limited	England and Wales	100	*
Hanson Aggregates South Wales Holdings Limited	England and Wales	100	*
Hanson Aggregates South Wales Limited	England and Wales	100	*
Hanson Bath and Portland Stone Limited	England and Wales	100	*
Hanson Blocks North Limited	England and Wales	100	*
Hanson Concrete Products Limited	England and Wales	100	*
Hanson Crewing Services Limited	England and Wales	100	*
Hanson Marine Holdings Limited	England and Wales	100	*
Hanson Marine Limited	England and Wales	100	*
Hanson Quarry Products Holdings Limited	England and Wales	100	*
Hanson Quarry Products Trade Finance Limited	England and Wales	100	*
Holme Sand & Ballast LLP	England and Wales	24.5	Caird Avenue, BH25 5PX New Milton, United Kingdom
Humber Sand and Gravel Limited	England and Wales	50	CEMEX House, Binley Business Park, Harry Weston Road, Coventry, CV3 2TY, United Kingdom
Kingston Minerals Limited	England and Wales	100	*
Marples Ridgway Limited	England and Wales	100	*
Mendip Rail Limited	England and Wales	50	Bardon Hall, Copt Oak Road, LE67 9PJ Markfield, United Kingdom
Milton Hall (Southend) Brick Company Limited (The)	England and Wales	100	*
National Brick Company Limited	England and Wales	100	*
National Star Limited	England and Wales	100	*

HANSON BUILDING MATERIALS EUROPE LIMITED

APPENDIX I – LISTING OF INDIRECT SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS AT 31 DECEMBER 2023

Name	Country of incorporation	Group ownership %	Registered office
New Milton Concrete Limited	England and Wales	49	Caird Avenue, BH25 5PX New Milton, United Kingdom
New Milton Sand and Ballast Limited	England and Wales	49	Caird Avenue, BH25 5PX New Milton, United Kingdom
North Tyne Roadstone Limited	England and Wales	50	Ground Floor T3 Trinity Park, Bickenhill Lane, B37 7ES Birmingham, United Kingdom
Pencrete Limited	England and Wales	100	*
Purfleet Aggregates Limited	England and Wales	100	*
Samuel Wilkinson & Sons Limited	England and Wales	100	*
Seago Concrete Products Limited	England and Wales	100	*
Small Lots (Mix-It) Limited	England and Wales	100	*
Smiths Concrete Limited	England and Wales	49	Enslow, Kidlington, OX5 3AY Oxford, United Kingdom
Solent Industrial Estates Limited	England and Wales	49	Caird Avenue, BH25 5PX New Milton, United Kingdom
The Purfleet Ship to Shore Conveyor Company Limited	England and Wales	50	*
W.G. Hibbs & Co. Limited	England and Wales	49	Caird Avenue, BH25 5PX New Milton, United Kingdom

* The registered office of these investments is Second Floor, Arena Court, Crown Lane, SL6 8QZ, Maidenhead, United Kingdom

The registered office of Mendip Rail Limited was changed after the year end to Bardon Hill, Bardon Road, Coalville, Leicestershire, LE67 1TL.

After the year end, the Company's subsidiary, Hanson Quarry Products Ventures Limited, acquired the remaining 51% of the issued share capital in its joint venture, Smiths Concrete Limited, to become sole shareholder, and the registered office of Smiths Concrete Limited was moved to Second Floor, Arena Court, Crown Lane, Maidenhead, Berkshire, SL6 8QZ, United Kingdom.