

Registered number  
00440463

**Longley Concrete Ltd**  
Annual Report and Financial Statements  
For the year ended 31 December 2023

# Longley Concrete Ltd

## Reports and Financial Statements for the year ended 31 December 2023

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# **Longley Concrete Ltd**

## **Company Information**

### **Directors**

C Holland  
J H Hudson  
J A Longley (resigned 23 March 2023)  
C M McLeish  
D A Waters (resigned 24 March 2023)  
W D Hicks (Appointed 7 July 2023)  
T W Wright (Appointed 7 July 2023)

### **Company Secretary**

R A Parker (appointed 27 January 2023)  
N D M Giles (resigned 27 January 2023)

### **Auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindleyplace  
Birmingham  
West Midlands  
B1 2HZ  
United Kingdom

### **Bankers**

Lloyds Bank Plc  
7 High Street  
Leicester  
United Kingdom  
LE1 9FS

### **Registered office**

Leicester Road  
Ibstock  
Leicestershire  
United Kingdom  
LE67 6HS

### **Registered number**

00440463

## Longley Concrete Ltd

### Strategic Report

The Directors present the strategic report of Longley Concrete Ltd ('the Company') for the year ended 31 December 2023.

#### Principal activity

The Company is an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc ('the ultimate parent' and 'the Group').

The principal activity of the Company during the year continued to be the manufacture of concrete products. The Directors do not expect that to change in the foreseeable future.

#### Results

The profit for the year after taxation amounts to £48,918 (2022: £781,051).

The Company had net assets of £8,446,669 as at 31 December 2023 (net assets of £8,355,300 as at 31 December 2022).

#### Review of business

The company's key financial and other performance indicators used by the Directors to manage the business during the year were as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £	Change %
Turnover	15,869,350	23,157,450	(31%)
Operating profit	3,407	951,537	(100%)
Profit after tax	48,918	781,051	(94%)
Shareholder's funds	8,446,669	8,355,300	1%

In 2023, the Company's performance was achieved against a challenging backdrop of demand, and cost pressure, which the business sought to manage dynamically.

In December 2023, the Company permanently closed the Castledawson site, which resulted in inventory write off of £92,000, fixed asset impairment of £30,000 and onerous leases provision of £101,000. The restructuring programme across the Company caused redundancy costs of £260,000. All the site closure related costs other than redundancy costs were recognised as cost of sales in the year.

## **Longley Concrete Ltd**

### **Strategic Report (continued)**

#### **Future developments**

The Directors expect the Company to continue in its principal activity for the foreseeable future and that positive prospects for the business exist.

#### **Principal risks and uncertainties**

The Directors of the Company's ultimate parent consider the principal risks and uncertainties of the Group with assistance from its Audit Committee. The principal risks facing the Company are outlined below with full detail being included in the 2023 Annual Report and Accounts of Ibstock Plc. The principal risks include business continuity, regulatory and compliance, people and talent management, cyber and information system, health, safety and environment, economic conditions, financial risk management, maintaining customer relationships and market reputation, climate change, anticipating product demand and innovation and major project delivery.

#### **Financial risk management**

The Company's key financial risk management objective and policy are as per the below:

- Credit risk: Through its customers, the Company is exposed to a counterparty risk that accounts receivable will not be settled leading to a financial loss. Customer credit risk is managed subject to the Group's policy relating to customer credit risk management. The Company principally manages credit risk through management of customer credit limits. The credit limits are set for each customer based on the creditworthiness of the customer and the anticipated levels of business activity. These limits are initially determined when the customer account is first set up and are regularly monitored thereafter.
- Liquidity risk: Insufficient funds could result in the Company being unable to fund its operations. The Company's policy is to ensure that it has sufficient funding and facilities in place to meet any foreseeable peak in borrowing requirements and liabilities when they become due. The Company also relies on financial support provided by the Group.
- Input Costs: The Company's business may be affected by volatility in raw material costs. Risks exist around our ability to pass on increased costs through price increases to its customers. Significant input costs are under constant review, with continuous monitoring of raw material costs and haulage expenses, with the aim of achieving the best possible prices and assuring stability of supply. The impacts are mitigated through pricing increases. The Company maintains appropriate sales pricing policies to remain competitive within our markets and pass on significant increases in input costs.

## **Longley Concrete Ltd**

### **Strategic Report (continued)**

#### **Stakeholder statements**

##### **Employees**

The Directors believe that building a safe, healthy and happy workplace where our people can reach their full potential strengthens our business. Listening to and understanding employees views and ideas is a key part of our culture.

The Company is an equal opportunities employer and considers applications for employment from disabled persons (having regard to their particular aptitudes and abilities) and encourages and assists, wherever practicable, the recruitment, training, career development and promotion of disabled people and the retention of and appropriate training from those who become disabled during their employment.

The Company places value in its employees and seeks to keep them informed on matters impacting them as employees and various factors impacting the performance of the Company and the wider Ibstock Plc Group. This is communicated via informal and formal meetings and ensures that employee representatives are consulted regularly for views on matters affecting them.

The Company regards the establishment and maintenance of safe working practices to be of the highest importance.

From the perspective of the Directors, as a result of the Group's governance structure, the Group's Board has taken the lead in carrying out the duties of the Directors in respect of the Company's employees, including engaging with them, having regard to their interest and the effect of that regard. The Directors have also considered relevant matters, where appropriate. An explanation of how the Group's Board has carried out these responsibilities (of the Group and for this entity) including the principle decisions taken by the Company during the financial year is set out on pages 38 and 42 of the Group's Annual report and accounts 2023, which does not form part of this report.

##### **Other stakeholders**

From the perspective of the Directors, as a result of the Group's governance structure, the ultimate parent Company's Board has taken the lead in carrying out the duties of the Directors in respect of the Company's other stakeholders. The Directors have also considered relevant matters, where appropriate. An explanation of how the Directors on the ultimate parent Company's Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including the principal decisions taken by the Company during the financial year, is set out (for the Group and for this entity) on pages 38 to 43 of the Annual Report and Accounts 2023 of Ibstock plc, which does not form part of this report.

## Longley Concrete Ltd

### Strategic Report (continued)

#### Section 172(1) statement

From the perspective of the Directors, as a result of the Group's governance structure, the matters that it is responsible for considering under Section 172(1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the ultimate parent Company's board in relation to the Group and to this entity.

The Company considers its key stakeholders to be its employees, customers, suppliers, communities, and shareholders.

Listening post is the Company's formal mechanism for employee engagement and sharing employee views with the Board. The Board ensured that the People Strategy remained true to the core values of Teamwork, Trust, Care and Courage, and that our employees were appropriately supported.

The Board receives updates on the relationships with existing customers through Customer feedbacks. Strategic decisions, which include capital investment and innovation, are made to fulfil customer requirements.

The Company engaged its key suppliers through the supplier engagement day to achieve mutually beneficial formalised agreements with the key suppliers.

All Directors have a strong relationship with employees, customers and suppliers through close working relationships. They also receive regular formal and informal updates from the People Team and the Sales Team to further understand the needs of these stakeholders.

The relationship with the Communities local to the sites is management by the Factory Managers who provide regular updates to the Directors on this.

During the year, the Group executive directors sat on the boards of the Company and its ultimate parent Company. The Group executive directors formed the primary communication route between the Company and the Shareholder, Government and Regulatory, and Pension Fund Members and Trustees. This structure supports the board of the Company in performing its duties in compliance with the matters set out in s172.

The Board continued to ensure that the Company and Group's strategy remained appropriate to deliver the long-term success of the Company, and oversaw Management's execution of the strategy. The Board carefully evaluated the likely consequences of its decisions, challenging management where necessary to ensure that the impact of any decisions over the long-term would be of benefit to the Company.

The Board remains committed to ensuring the business operates with the highest standards of integrity, and continually reviews and tests the compliance arrangements in place. A significant part of the Board's leadership responsibility is to ensure that the Company's purpose, strategy and culture remain aligned, and it recognises that a robust and transparent culture is a solid foundation for maintaining the Company and the Group's reputation for high standards of business conduct.

Over the course of the year the Board has overseen and supported the initiatives undertaken on culture.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities and takes account of its role as a responsible business. By doing this, the aim is to ensure that decisions are robust and sustainable and drive long-term success for the Company.

To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the ultimate parent Company's Board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 42 and 43 of the Annual Report and Accounts 2023 of Ibstock Plc, which does not form part of this report.

This report was approved by the Board on 4 July 2024 and signed on its behalf by:



C Holland

**Director**

04 July 2024

## **Directors' Report**

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

The Company has chosen, in accordance with Section 414 C(11) of the Companies Act 2006, to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report. Details of the Company's financial risk management policies and objectives, employees and other stakeholders, future developments and dividends can be found in the Strategic report on pages 2 to 5 and form part of this report by cross reference.

### **Directors**

The following persons served as Directors during the year and up to the date of approval of these financial statements:

C Holland  
J H Hudson  
J A Longley (resigned 23 March 2023)  
C M McLeish  
D A Waters (resigned 24 March 2023)  
W D Hicks (Appointed 7 July 2023)  
T W Wright (Appointed 7 July 2023)

### **Auditor**

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### **Directors' statement as to disclosure of information to the auditor**

Each person who was a Director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Going concern**

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company until at least 12 months from the date of this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources available within the Group are sufficient to accommodate the principal risks and uncertainties faced by the Company.



**Directors' Report (continued)**

**Going concern (continued)**

The Group has financing arrangements, comprising £100 million of private placement notes with maturities of between 7 and 12 years and a £125 million RCF for an initial four-year tenor, with an enacted one year extension option, both of which were arranged in 2021. At 31 December 2023 the Group had drawn £25 million under the RCF.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

The key uncertainty faced by the Group is the industry demand for its products in light of macroeconomic factors. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demands for its products thereby stress testing the Group's resilience. Further detail on the Group's scenario modelling is included within the 2023 Annual report and accounts of Ibstock Plc.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information are prepared on a going concern basis.

**Dividends**

No dividend was paid in the current or preceding period. The Directors do not recommend the payment of dividend after the balance sheet date.

**Subsequent events**

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

This report was approved by the Board on 4 July 2024 and signed on its behalf by.



C Holland

**Director**

04 July 2024

## **Longley Concrete Ltd**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulations.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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. They are also 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 responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Longley Concrete Ltd

### Income Statement

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
<b>Turnover</b>	2	15,869,350	23,157,450
Cost of sales		(12,116,724)	(17,395,605)
<b>Gross profit</b>		<u>3,752,626</u>	<u>5,761,845</u>
Distribution costs		(1,870,921)	(2,932,522)
Administrative expenses		(2,004,857)	(1,904,124)
Other operating income	3	126,559	26,338
<b>Operating profit</b>	4	<u>3,407</u>	<u>951,537</u>
Gain on sale of fixed assets		48,554	9,493
Net finance income/(costs)	6	17,252	(2,748)
<b>Profit before taxation</b>		<u>69,213</u>	<u>958,282</u>
Tax on profit	7	(20,295)	(177,231)
<b>Profit for the financial year</b>		<u><u>48,918</u></u>	<u><u>781,051</u></u>

All activities arise from continuing operations.

There are no other items of comprehensive income or loss in the current or prior period other than those included in the Income Statement and accordingly no separate statement of other comprehensive income has been presented.

The notes on pages 12 to 24 form an integral part of the financial statements.

**Statement of Financial Position**  
as at 31 December 2023

	Notes	31 December 2023 £	31 December 2022 £
<b>Fixed assets</b>			
Tangible assets	8	718,188	1,030,518
		<u>718,188</u>	<u>1,030,518</u>
<b>Current assets</b>			
Stocks	10	2,047,414	2,094,353
Debtors	11	8,748,033	6,130,567
Cash at bank and in hand		787,087	3,388,864
		<u>11,582,534</u>	<u>11,613,784</u>
Creditors: amounts falling due within one year	12	(3,829,510)	(4,206,601)
<b>Net current assets</b>		<u>7,753,024</u>	<u>7,407,183</u>
<b>Total assets less current liabilities</b>		<u>8,471,212</u>	<u>8,437,701</u>
<b>Creditors: amounts falling due after more than one year</b>	13	-	(9,392)
Deferred taxation	14	(24,543)	(73,009)
<b>Net assets</b>		<u><u>8,446,669</u></u>	<u><u>8,355,300</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	10,000	10,000
Other reserves	16	53,858	11,407
Profit and loss account	16	8,382,811	8,333,893
<b>Shareholder's funds</b>		<u><u>8,446,669</u></u>	<u><u>8,355,300</u></u>

The notes on pages 12 to 24 form an integral part of the financial statements.

These financial statements were approved by the Board on 4 July 2024 and signed on its behalf by:

  
C Holland  
Director  
4 July 2024

## Longley Concrete Ltd

### Statement of Changes in Equity

For the year ended 31 December 2023

	Called up Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2022</b>	10,000	-	7,552,842	7,562,842
Credit to equity for equity settled share-based payment (Note 18)	-	11,407	-	11,407
Profit for the financial period	-	-	781,051	781,051
Total comprehensive income	-	11,407	781,051	792,458
<b>At 31 December 2022</b>	<b>10,000</b>	<b>11,407</b>	<b>8,333,893</b>	<b>8,355,300</b>
<b>At 1 January 2023</b>	10,000	11,407	8,333,893	8,355,300
Profit for the financial year	-	-	48,918	48,918
Total comprehensive income	-	-	48,918	48,918
Credit to equity for equity settled share-based payment (Note 18)	-	42,451	-	42,451
<b>At 31 December 2023</b>	<b>10,000</b>	<b>53,858</b>	<b>8,382,811</b>	<b>8,446,669</b>

The notes on pages 12 to 24 form an integral part of the financial statements.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**1 Summary of significant accounting policies*****Statement of compliance***

Longley Concrete Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies House Act 2006 and registered in England and Wales. The Registered Office is Leicester Road, Ibstock, Leicestershire, United Kingdom LE67 6HS.

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) as it applies to the financial statements of the Company for the year ended 31 December 2023.

The principal activities of the Company and the nature of the operations are set out on the strategic report on page 2.

***Basis of preparation***

The financial statements of Longley Concrete Ltd were approved for issue by the Board on 4 July 2024.

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards. The financial statements are prepared in Sterling which is the functional currency of the Company.

***Reduced disclosure exemptions***

Under FRS 102 (Section 1.12 (b)), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent company (Ibstock Plc) includes the company's cash flows in its own published consolidated financial statements.

At 31 December 2023, the Company was a wholly owned subsidiary of Ibstock Plc. The consolidated financial statements of the Group are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, LE67 6HS. Accordingly, the Company has taken advantage of the exemption with Section 33 of FRS 102 from disclosing transactions with wholly owned subsidiaries of Ibstock Plc.

The Company is a qualifying entity and has also taken advantage of the financial instrument disclosure requirement exemptions and exemption from disclosing key management compensation (other than Director's emoluments) under FRS 102 (Section 1.12).

***Going concern***

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company until at least 12 months from the date of this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources available within the Group are sufficient to accommodate the principal risks and uncertainties faced by the Company.

The Group has financing arrangements, comprising £100 million of private placement notes with maturities of between 7 and 12 years and a £125 million RCF for an initial four-year tenor, with an enacted one year extension option, both of which were arranged in 2021. At 31 December 2023 the Group had drawn £25 million under the RCF.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

The key uncertainty faced by the Group is the industry demand for its products in light of macroeconomic factors. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demands for its products thereby stress testing the Group's resilience. Further detail on the Group's scenario modelling is included within the 2023 Annual report and accounts of Ibstock Plc.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**1 Summary of significant accounting policies (continued)*****Going concern (Continued)***

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information are prepared on a going concern basis.

***Revenue recognition***

Revenue represents the value of goods supplied. Revenue is measured at the fair value of the consideration received and excludes trade discounts and value added tax. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually at the point of dispatch, the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transaction will flow to the entity and the revenue in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are met:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

***Operating leases: the Company as lessee***

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

***Interest income***

Interest income is recognised in profit or loss using the effective interest method.

***Pensions***

The Company operates a defined contribution plan for employees. A defined contribution plan is a pension plan under which the Company pays a fixed contribution into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**1 Summary of significant accounting policies (continued)*****Taxation – current***

Current tax, representing UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Unrelieved tax losses are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

***Tangible fixed assets***

Tangible fixed assets under the cost method 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.

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

Depreciation is provided on the following basis:

- Plant and machinery 4-10 years
- Motor vehicles 4 years
- Office equipment 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 disposal are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.



**Notes to the Financial Statements**

For the year ended 31 December 2023

**1 Summary of significant accounting policies (continued)****Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - recognised on a weighted average cost basis.

Work in progress and finished goods - cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

At each reporting date, stocks are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the Income Statement.

**Debtors**

Short term debtors are measured at transaction price, which is usually the invoice price less any impairment for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

**Cash and cash equivalents**

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

**Creditors**

Short term creditors are measured at the transaction price which is usually the invoice price. Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**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 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 Statement of Financial Position date of 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 Statement of Financial Position.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**1 Summary of significant accounting policies (continued)*****Financial instruments*****Financial assets**

Financial assets, including trade and other receivables, loans to fellow group companies and cash at bank are initially recognised at fair value. Such assets are subsequently carried at amortised cost using the effective interest method less impairment. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date. Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Financial liabilities**

Financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at fair value and subsequently measured at amortised cost using effective interest method. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Critical accounting judgements and key sources of estimation uncertainty**

No critical judgements or estimates were made in applying the Company's accounting policies for the current year.

**2 Turnover**

An analysis of turnover by class of business is as follows:

	<b>Year ended 31 December 2023 £</b>	<b>Year ended 31 December 2022 £</b>
Sale of goods	14,919,765	21,612,469
Services rendered	949,585	1,544,981
	<u>15,869,350</u>	<u>23,157,450</u>

All turnover arose within the United Kingdom.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**3 Other operating income**

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Reserch and development expenditure credit	<u>126,559</u>	<u>26,338</u>

**4 Operating profit**

This is stated after charging:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Depreciation of tangible fixed assets	327,312	332,405
Tangible fixed asset impairment	30,338	-
Stock provisions	92,035	-
Operating lease rentals - other items	590,659	519,655
Defined contribution pension cost	150,197	152,303
Auditor's remuneration for audit of financial statements	<u>60,000</u>	<u>60,000</u>

No fees were payable to Deloitte LLP for non-audit services (2022: £nil).

**5 Employees and Directors**

The monthly average number of persons employed by the company, including Directors, during the period was as follows:

	Year ended 31 December 2023 Number	Year ended 31 December 2022 Number
Management	-	1
Administration	30	38
Manufacturing	44	59
	<u>74</u>	<u>98</u>

The costs incurred in respect of these employees were:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Wages and salaries	2,739,505	3,565,733
Social security costs	292,361	348,946
Costs of defined contribution scheme	150,197	152,303
Share based payments (Note 18)	42,451	11,407
	<u>3,224,514</u>	<u>4,078,389</u>

**Notes to the Financial Statements**

For the year ended 31 December 2023

**5 Employees and directors (continued)**

The emoluments of the Directors of the Company were:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	£	£
Aggregate emoluments	55,363	98,975
Company contributions to defined contribution pension plans	8,904	6,430
	<u>64,267</u>	<u>105,405</u>

	<b>2023 Number</b>	<b>2022 Number</b>
Members of defined contribution plan	<u>3</u>	<u>3</u>

The amounts in respect of the highest paid Director are as follows:

	<b>2023</b>	<b>2022</b>
	£	£
Aggregate emoluments	19,625	64,030
Company contributions to defined contribution pension plans	5,367	4,450
	<u>24,992</u>	<u>68,480</u>

Two of the Directors' services to the Company do not occupy a significant amount of their time and their costs are borne by other Group companies. As such the Directors for whom this applies do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2023 and the year ended 31 December 2022.

**6 Net finance income/(costs)**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	£	£
Finance lease and hire purchase contracts	(721)	(2,002)
Bank interest income/(cost)	17,973	(746)
	<u>17,252</u>	<u>(2,748)</u>

**Notes to the Financial Statements**

For the year ended 31 December 2023

**7 Tax on profit**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<b>£</b>	<b>£</b>
The tax charge is made up as follows:		
Current tax:		
Corporation tax for the year	76,771	157,215
Adjustments in respect of previous years	8,010	48,774
	<u>68,761</u>	<u>205,989</u>
Deferred tax:		
Origination and reversal of timing differences	(28,893)	19,289
Effect of change in tax rate	1,472	4,443
Adjustments in respect of previous periods	(21,045)	(52,490)
	<u>(48,466)</u>	<u>(28,758)</u>
Total tax charge on profit	<u>20,295</u>	<u>177,231</u>

**Factors affecting total tax charge**

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2022</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>69,213</u>	<u>958,282</u>
Standard rate of corporation tax in the UK	23.50%	19.00%
Profit multiplied by the standard rate of corporation tax	16,265	182,074
Effects of:		
Expenses not deductible for tax purposes	15,973	10,285
Capital allowances super-deduction	(380)	(15,855)
Effect of change in tax rate	1,472	4,443
Adjustments in respect of previous years	(13,035)	(3,716)
Total tax charge for year	<u>20,295</u>	<u>177,231</u>

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**8 Tangible assets**

	<b>Plant &amp; Machinery</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Assets Under Construction</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2023	3,772,573	168,325	524,089	-	4,464,987
Additions	-	-	-	87,555	87,555
Disposals	(806,798)	(157,825)	(107,374)	-	(1,071,997)
Reclassifications	38,289	-	-	(38,289)	-
At 31 December 2023	<u>3,004,064</u>	<u>10,500</u>	<u>416,715</u>	<u>49,266</u>	<u>3,480,545</u>
<b>Depreciation</b>					
At 1 January 2023	2,996,792	120,030	317,647	-	3,434,469
Charge for the year	215,315	6,114	105,883	-	327,312
Impairment	30,338	-	-	-	30,338
On disposals	(806,798)	(115,644)	(107,320)	-	(1,029,762)
At 31 December 2023	<u>2,435,647</u>	<u>10,500</u>	<u>316,210</u>	<u>-</u>	<u>2,762,357</u>
<b>Carrying amount</b>					
At 31 December 2023	<u>568,417</u>	<u>-</u>	<u>100,505</u>	<u>49,266</u>	<u>718,188</u>
At 31 December 2022	<u>775,781</u>	<u>48,295</u>	<u>206,442</u>	<u>-</u>	<u>1,030,518</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	£	£
Motor vehicles	<u>-</u>	<u>48,295</u>

**Notes to the Financial Statements**

For the year ended 31 December 2023

**9 Impairment**

Following announcement of the proposed cessation of production at Castledawson, management performed detailed impairment testing for the carrying value of the assets associated with this site.

Management determined the recoverable amount of the plant and machinery of the closed factory based on the fair value less costs to dispose ("FVLCTD"). This assessment falls within level 3 of the fair value hierarchy and was based on management's judgement that the assets could not be sold for any value, this being the assumption the recoverable amount is most sensitive to.

Determination of FVLCTD by management reflected full impairment of all items of plant and machinery, which management's assessment was that no alternative use, future salvage value or disposal proceeds are expected for the impacted assets.

This assessment of impairment resulted in the recognition of an impairment charge of £30,000 within cost of sales within the income statement.

In the year, in light of the decrease in activity levels across the UK construction industry, management identified indicators of potential impairment. For tangible asset impairment testing purposes, the entity has determined that the factory is a Cash Generating Unit (CGU). Management completed detailed impairment testing based on value-in-use ("VIU"), for the Company's other operating CGU as at 31 December 2023.

Assumptions used within the VIU calculations are noted below:

1. Management has used the latest Board approved budget and strategic planning forecasts in its estimated future cash flows, covering the period 2024 to 2028, which includes assumptions regarding industry demand for the Group's products. These forecasts assume a return to normalised levels of industry demand for the Group's products (defined as a level of demand in line with the 2022 year) over the medium term.
2. A pre-tax weighted average cost of capital ("WACC") of 12.4% was used within the VIU calculation based on an externally derived rate and benchmarked against industry peer group companies.
3. Terminal growth rates of 2% were used reflecting long term inflationary expectations and management's past experience and expectations.

Management is of the view that no reasonable movement in the assumptions would result in impairment of the Group's non-current assets.

The cash flows include ongoing capital expenditure required to maintain the production capacity of the network but exclude any growth capital initiatives not committed.

The immediately quantifiable impacts of climate change and costs expected to be incurred in connection with our climate resilient plan, are included within the budget and strategic plan, which have been used to support the impairment reviews, with no material impact on cash flows. We also expect any changes required due to physical risks arising from our assessment of climate change would be covered by business-as-usual site refurbishments and phased over multiple years. Therefore, the related cash outflow would not have a material impact in any given year. As a consequence, there has been no material impact in the forecast cash flows used for impairment testing.

**Notes to the Financial Statements**

For the year ended 31 December 2023

<b>10 Stocks</b>	<b>31 December 2023 £</b>	<b>31 December 2022 £</b>
Raw materials and consumables	913,504	830,186
Finished goods and goods for resale	1,133,910	1,264,167
	<u>2,047,414</u>	<u>2,094,353</u>

The amount of inventories recognised as an expense during the year was £7,660,922 (2022: £12,047,279).

<b>11 Debtors</b>	<b>31 December 2023 £</b>	<b>31 December 2022 £</b>
Trade debtors	2,129,097	3,121,887
Amounts due from parent undertakings	6,125,084	2,830,160
Amounts due from fellow subsidiary	8,411	10,846
Other debtors	217,181	36,975
Prepayments	57,335	91,543
Corporation tax	210,925	39,156
	<u>8,748,033</u>	<u>6,130,567</u>

Amounts due from parent undertakings and fellow subsidiaries represents current account balances at the year end, which are unsecured, carry no interest and are repayable on demand. These amounts have been recorded as current assets as plans are being put in place to settle them with their related counterparties and these are not expected to be used on a continuing basis.

<b>12 Creditors: amounts falling due within one year</b>	<b>31 December 2023 £</b>	<b>31 December 2022 £</b>
Trade creditors	2,246,534	2,848,763
Amounts due to fellow subsidiaries	409,432	331,882
Other taxes and social security costs	82,163	79,941
Obligations under finance lease and hire purchase contracts	-	28,000
Other creditors	27,475	19,400
Accruals	779,960	898,615
Restructuring provisions	283,946	-
	<u>3,829,510</u>	<u>4,206,601</u>

Obligations under finance lease and hire purchase agreements are secured on the assets to which the agreements relate.

Amounts due to parent undertakings and fellow subsidiaries represents current account balances at the year end, which are unsecured, carry no interest and are repayable on demand.



**Notes to the Financial Statements**

For the year ended 31 December 2023

**13 Creditors: amounts falling due after more than one year**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	£	£
Net obligations under finance leases and hire purchase contracts	-	9,392
	<u>-</u>	<u>9,392</u>

**Hire purchase and finance leases:**

Minimum lease payments under hire purchase fall due as follows:

	<b>31 December 2023</b>	<b>31 December 2022</b>
	£	£
Within one year	-	28,000
Between 1-5 years	-	9,392
	<u>-</u>	<u>37,392</u>

**14 Deferred taxation**

	<b>2023</b>	<b>2022</b>
	£	£
Deferred taxation provided for in the financial statements is set out below:		
Accelerated capital allowances	(36,683)	(78,639)
Share based payments	8,890	2,380
Short term timing differences	3,250	3,250
Provision for deferred taxation	<u>(24,543)</u>	<u>(73,009)</u>
At beginning of period	(73,009)	(101,767)
Credited to profit or loss	48,466	28,758
At 31 December	<u>(24,543)</u>	<u>(73,009)</u>

There are no unused tax losses or unused tax credits.

The amount of the net reversal of deferred tax expected to occur next year is £73,009

**15 Called up share capital**

	<b>Nominal value</b>	<b>Number</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,000	<u>10,000</u>	<u>10,000</u>

**16 Reserves**

The share based payment reserve records the credit to reserves in relation to share based payments.

The profit and loss reserve records all retained profits and losses.

**17 Pension commitments*****Defined contribution scheme***

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £150,197 in the year ended 31 December 2023 (2022: £152,303). No contributions were outstanding (2022: none) at the balance sheet date.

**Notes to the Financial Statements**

For the year ended 31 December 2023

**18 Share Based Payments**

	<b>2023</b>	<b>2022</b>
	£	£
Share options related share option expense	42,451	11,407
	<u>42,451</u>	<u>11,407</u>

In prior year the Company announced an award referred to as the “Fire Up share grant”. Subject to qualifying employment conditions, all employees were entitled to 500 share options at a nil exercise price. The free shares have a two-year employment condition and no further vesting conditions.

Due to the redundancy programme in 2023, all the impacted employees can exercise their Fire Up shares without the two-year employment condition.

**19 Commitments under operating leases**

At 31 December 2023 the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	<b>Other</b>	<b>Other</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	£	£
Falling due:		
within one year	345,207	87,760
between one and five years	1,045,959	201,008
	<u>1,391,166</u>	<u>288,768</u>

The 'other' lease commitments relate to machinery and motor vehicles.

**20 Related party transactions**

The Company is a wholly owned subsidiary of Ibstock Plc as at 31 December 2023, the consolidated accounts of which are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, LE67 6HS. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with wholly owned subsidiaries of the Ibstock Plc Group. Related party balances are disclosed in Note 11 and Note 12.

**21 Controlling party**

The Company's immediate parent company is Longley Holdings Limited. The ultimate parent company, ultimate controlling party and the only Group company into which this Company is consolidated is Ibstock Plc. Both Longley Holdings Limited and Ibstock Plc have the same registered office address as the Company.

The parent of the smallest and largest group in which these financial statements are consolidated is Ibstock Plc, incorporated in England.

The address of Ibstock Plc is: Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS.

These financial statements are available from the Ibstock Plc website at [www.ibstock.co.uk](http://www.ibstock.co.uk).

**22 Subsequent events**

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

## Independent auditor's report to the members of Longley Concrete Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Longley Concrete Limited (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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.

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.

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

## **Other information**

The other information comprises the information included in the annual report<sup>1</sup>, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

## **Auditor's 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 auditor's 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.

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

## **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own

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<sup>1</sup>The term used to describe the annual report should be the same as that used by the directors.

identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law, occupational health and safety regulations, the environment act, the Water Framework Directive, the Waste Directive, the Environmental Protection act and the Energy Efficiency Directive.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

## **Report on other legal and regulatory requirements**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'L Highton', with a long horizontal stroke extending to the right.

Lee Highton FCA  
(Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
4<sup>th</sup> July 2024