

Registered number
09415340

Ibstock Telling GRC Limited

Annual Report and Financial Statements
For the year ended 31 December 2022

Ibstock Telling GRC Limited

Reports and Financial Statements for the year ended 31 December 2022

Contents

	Page
Company Information	1
Strategic Report	2-4
Directors' Report	5-6
Statement of Directors' Responsibilities	7
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11-20
Independent Auditor's Report to the members of Ibstock Telling GRC Limited	21-23

Ibstock Telling GRC Limited

Company Information

Directors

J H Hudson
C M McLeish

Company Secretary

R A Parker

Auditor

Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road, East Midlands Airport
Castle Donington
Derby
DE74 2SA
B3 3AX

Bankers

Lloyds Bank Plc
Butt Dyke House
33 Park Row
Nottingham
NG1 6GY

Registered office

Leicester Road
Ibstock
Leicestershire
England
LE67 6HS

Registered number

09415340

Ibstock Telling GRC Limited

Strategic Report

The Directors present the strategic report of Ibstock Telling GRC Limited ('the Company') for the year ended 31 December 2022.

Principal activity

The Company was an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc ('the Ultimate Parent' and 'the Group'). Following the acquisition of certain assets in January 2022, its principal activity changed from an intermediate holding company to the design and manufacture of glass reinforced concrete products.

Change of name

On 28 January 2022, the Company changed its name from Ibstock USA Limited to Ibstock Telling GRC Limited.

Review of business results and dividends

The loss for the year after taxation amounts to £1,183,000 (2021 : profit of £1,000).

The Company had net assets of £81,928,000 as at 31 December 2022 (net assets of £83,102,000 as at 31 December 2021).

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

	2022 £000	2021 £000
Turnover	4,463	-
Operating loss	(1,444)	-
(Loss)/profit after tax	(1,183)	1
Shareholder's funds	81,928	83,102
Current assets as a percentage of current liabilities	2287%	3463%
Average number of employees	68	-

During 2022, the Company worked to establish its asset acquisition position whilst operating in a disrupted working environment.

The Company was facing a challenging backdrop of supply chain, labour availability and cost pressures, which the business managed dynamically. The cost pressures were particularly pronounced in our core materials of timber, polymers and stainless steel. Whilst the industry continues to face these challenges, we are well positioned to maintain our momentum in the year ahead.

The Company did not enter into any transactions during the year ended 31 December 2021.

The Directors do not recommend payment of a dividend in relation to 2022 (2021: £nil).

Future developments

In January 2022, the Company acquired certain assets of Telling Architectural Limited as set out in Note 6 to the financial statements. The Company expects to operate these assets in future years and generate revenue through the sale of glass reinforced concrete products.

Ibstock Telling GRC Limited

Strategic Report (continued)

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 2022 Annual Report and Accounts of Ibstock Plc. The principal risks include climate change, material operational disruption, market uncertainty, anticipating product demand, financial risk management, regulatory and compliance, maintaining customer relationships and market reputation, people and talent management, product quality, cyber and information security and major project delivery.

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

Financial risk management

- Foreign exchange risk: As the Company transacts in currencies other than Sterling, exchange rate fluctuations may adversely impact the Company's results. The Company undertakes limited foreign exchange transactions selling domestically with largely local input costs. Some capital expenditure requires foreign exchange purchases and management considers foreign exchange hedging strategies where significant exposures arise.
- 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.
- Interest rate risk: Movements in interest rates could adversely impact the Company and result in higher financing payments to service debt. The Group finances its operations through a mixture of retained profits and bank borrowings and private placement loan notes. The Group's bank borrowings, other facilities and deposits are in Sterling and at floating rates. No interest rate derivative contracts have been entered into during the year or at the year end.
- 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, energy prices 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.
- Energy pricing: The Company's business may also be affected by volatility in energy costs or disruptions in energy supplies. Significant changes in the cost or availability of transportation could affect the Company's results. The Company operates forward purchasing of gas and power to mitigate the impact of sudden price increases and monitors the carbon market on an ongoing basis and has modelled the impact of such rises to assess the financial implications.

Ibstock Telling GRC Limited

Strategic Report (continued)

Stakeholder statements

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 44 to 45 and 89 of the Annual Report and Accounts 2022 of Ibstock Plc, which does not form part of this report.

This report was approved by the Board on 11 December 2023 and signed on its behalf by:



C M McLeish

Director

11 December 2023

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2022.

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, future developments and dividends, can be found in the Strategic report on pages 2 to 4 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 the financial statements:

J H Hudson
C M McLeish

Energy and carbon reporting

The Company has taken advantage of the disclosure exemptions available to it as it meets the definition under Schedule 7 (1A) of the Large and medium-sized companies and Groups (Accounts and Reports) Regulations. The Company is an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc, which has the same financial year end as the Company.

Auditor

Cooper Parry Group Limited was appointed as the auditor on 25 August 2023.

Cooper Parry Group Limited 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.

Disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 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 signing these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company 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.

During the final quarter of the 2021 year, the Group completed the refinancing of its March 2023 £215 million Revolving Credit Facility (RCF), replacing the existing facility with the issuance of £100 million of private placement notes with maturities of between seven and twelve years and a £125 million RCF for an initial four-year tenure, with a one-year extension option. In addition, in the final quarter of 2022, the Group enacted a one-year extension of the £125 million RCF, extending maturity to November 2026 on similar terms to the original agreement. At 31 December 2022 the RCF was undrawn.

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.

Directors' Report (continued)

Going concern (continued)

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 Annual Report and Accounts 2022 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 is prepared on a going concern basis.

Subsequent events and future outlook

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 11 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C M McLeish', with a long horizontal line underneath it.

C M McLeish
Director
11 December 2023

Ibstock Telling GRC Limited

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 accounting estimates that are reasonable and prudent; 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 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.

Ibstock Telling GRC Limited

Income Statement

For the year ended 31 December 2022

	Notes	2022 £000	2021 * £000
Turnover		4,463	-
Cost of sales		(4,394)	-
Gross profit		<u>69</u>	<u>-</u>
Distribution costs		(72)	-
Administrative expenses		(1,441)	-
Operating loss	2	<u>(1,444)</u>	<u>-</u>
Loss on disposal of fixed assets	2	(13)	-
Finance costs	4	(5)	-
Loss before taxation		<u>(1,462)</u>	<u>-</u>
Taxation	5	279	1
(Loss)/profit for the year		<u><u>(1,183)</u></u>	<u><u>1</u></u>

All activities in the current year are from continuing operations and prior year from discontinued operations.

The notes on pages 11 to 20 form an integral part of the financial statements.

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

*Comparative figures have been adjusted for an immaterial presentation matter noting a £1 profit in the prior year (previously reported £1 loss).

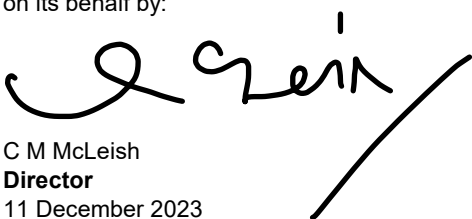
Statement of Financial Position
as at 31 December 2022

	Notes	2022 £000	2021 * £000
Fixed assets			
Intangible assets	6	7	-
Tangible assets	7	452	-
		<u>459</u>	<u>-</u>
Current assets			
Stocks	8	630	-
Debtors	9	83,126	85,573
Cash at bank and in hand		1,465	-
		<u>85,221</u>	<u>85,573</u>
Creditors: amounts falling due within one year	10	(3,727)	(2,471)
Net current assets		<u>81,494</u>	<u>83,102</u>
Total assets less current liabilities		<u>81,953</u>	<u>83,102</u>
Deferred taxation	11	(25)	-
Net assets		<u><u>81,928</u></u>	<u><u>83,102</u></u>
Capital and reserves			
Called-up share capital	12	75,683	75,683
Share premium account	13	13,500	13,500
Other reserves	14	9	-
Profit and loss account		(7,264)	(6,081)
Shareholders' funds		<u><u>81,928</u></u>	<u><u>83,102</u></u>

*Comparative figures have been adjusted for an immaterial presentation matter noting a £1 profit in the prior year (previously reported £1 loss).

The notes on pages 11 to 20 form an integral part of the financial statements.

These financial statements were approved by the Board and authorised for issue on 11 December 2023 and signed on its behalf by:



C M McLeish
Director
11 December 2023

Ibstock Telling GRC Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Called-up share capital £000	Share premium account £000	Other reserves	Profit and loss account £000	Total £000
At 1 January 2021	75,683	13,500	-	(6,082)	83,101
Profit for the financial year *	-	-	-	1	1
Total comprehensive income	-	-	-	1	1
At 31 December 2021	75,683	13,500	-	(6,081)	83,102
At 1 January 2022	75,683	13,500	-	(6,081)	83,102
Loss for the financial year	-	-	-	(1,183)	(1,183)
Total comprehensive loss	-	-	-	(1,183)	(1,183)
Credit to equity for equity settled share-based payment (Note 13)	-	-	9	-	9
At 31 December 2022	75,683	13,500	9	(7,264)	81,928

The notes on pages 11 to 20 form an integral part of the financial statements.

*Comparative figures have been adjusted for an immaterial presentation matter noting a £1 profit in the prior year (previously reported £1 loss).

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Summary of significant accounting policies

Statement of compliance

Ibstock Telling GRC Limited is a private company limited by shares incorporated in the United Kingdom under the Companies 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 FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2022.

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 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 and rounded to the nearest £'000.

Under s400 (2) of the Companies Act 2006, the Company has not presented consolidated financial statements as these are included in the consolidated financial statements of the ultimate parent undertaking.

Reduced disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

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 signing these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company 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.

During the final quarter of the 2021 year, the Group completed the refinancing of its March 2023 £215 million Revolving Credit Facility (RCF), replacing the existing facility with the issuance of £100 million of private placement notes with maturities of between seven and twelve years and a £125 million RCF for an initial four-year tenure, with a one-year extension option. In addition, in the final quarter of 2022, the Group enacted a one-year extension of the £125 million RCF, extending maturity to November 2026 on similar terms to the original agreement. At 31 December 2022 the RCF was 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 Annual Report and Accounts 2022 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 is prepared on a going concern basis.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Summary of significant accounting policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Revenue from long term contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred can be estimated reliably.

Customer rebates

Provisions for rebates to customers are based upon the terms of individual contracts, with rebates granted based upon a tiered structure dependent upon an individual customer's purchases during the rebate period. Customer rebates are recorded in the same period as the related sales as a deduction from revenue and the vast majority are coterminous with the Company's financial year end. For those individual contracts that are non-coterminous, the Company estimates the provision for this variable consideration based on the most likely outcome amount determined by the terms of each agreement at the time the revenue is recognised. At the financial year end, due to settlement of rebates with customers, the level of remaining estimation is limited and the risk of a significant reversal of recognised revenue is negligible.

Tangible fixed assets

Tangible fixed assets are measured at cost less depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Plant, machinery and equipments	3 - 40 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials and consumables purchase cost is calculated on a weighted average cost basis. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of overheads.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Summary of significant accounting policies (continued)

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses 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.

Creditors

Short term creditors are measured at 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.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past years. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous year.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to income statement.

Lease agreements

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term.

Share-based payments

The Company has elected to avail itself of the disclosure exemption within FRS 102 (Section 1.12(d)) in relation to certain share-based payments disclosure requirements as it is a subsidiary with share-based payments arrangements in equity of its ultimate parent entity whose separate financial statements are presented alongside the consolidated financial statements, which contain the requisite equivalent disclosures.

For the equity-settled share based payment transactions, the fair value of the share options granted is derived from the established option pricing models. Further details on share based payments are set out in note 13.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Summary of significant accounting policies (continued)

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Critical accounting judgements and estimates

In January 2022, the Company acquired certain assets of Telling Architectural Limited as set out in Note 6 to the financial statements for a consideration of £590,000. The Directors made a judgement in the process of applying the Group's accounting policies that the transaction should be classified as a purchase of a group of assets but not a business combination as the transaction did not include any employee transfer nor any processes that a business needs to create outputs. Therefore, FRS 102 Section 17 - Property, Plant and Equipment was applied to the transaction and not FRS 102 Section 19 - Business Combinations and Goodwill. As the judgment has a significant effect on the amount recorded (£590,000) in the financial statements, the Directors classified it as critical accounting judgement.

2 Loss before taxation

	2022	2021
	£000	£000
This is stated after charging:		
Loss on disposal of fixed assets	13	-
Operating lease rentals - land and buildings	390	-
Auditors' remuneration for audit services	25	4

Auditor's remuneration for the audit of the financial statements of £25,000 (2021: £4,000).

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

3 Employees and Directors

Staff costs	2022	2021
	£000	£000
Wages and salaries	2,355	-
Social security costs	238	-
Other pension costs	100	-
	<u>2,693</u>	<u>-</u>

Average number of employees during the year	Number	Number
Administration	12	-
Manufacturing	49	-
Design	7	-
	<u>68</u>	<u>-</u>

Two of the Directors' services to the Company do not occupy a significant amount of their time and their costs are borne by the ultimate parent company Ibstock Plc. 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 2022 and the year ended 31 December 2021.

4 Finance costs	2022	2021
	£000	£000
Foreign exchange translation losses	5	-
	<u>5</u>	<u>-</u>

5 Taxation	2022	2021 *
	£000	£000
The tax credit is made up as follows:		
Current tax:		
UK corporation tax on loss for the year	(304)	-
Adjustments in respect of previous periods	-	(1)
	<u>(304)</u>	<u>(1)</u>
Deferred tax:		
Origination and reversal of timing differences	19	-
Effect of increased tax rate on opening liability	6	-
	<u>25</u>	<u>-</u>
Tax credit for the year	<u>(279)</u>	<u>(1)</u>

*Comparative figures have been adjusted for an immaterial presentation matter noting a £1 profit in the prior year (previously reported £1 loss).

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

5 Taxation (continued)

Factors affecting tax charge

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

	2022 £000	2021 £000
Loss before tax	(1,462)	-
Standard rate of corporation tax in the UK	19.00%	19.00%
Loss multiplied by the standard rate of corporation tax	(278)	-
Effects of:		
Expenses not deductible for tax purposes	1	-
Capital allowances for period in excess of depreciation	(9)	-
Effect of difference in deferred tax rates	6	(1)
Tax credit for the year	(279)	(1)

There are no recognised or unrecognised amounts in respect of deferred tax for the year or prior year.

Factors that may affect future tax charges

As part of the measures announced in the 2022 Autumn Statement, the Chancellor of the Exchequer reinstated the previously cancelled increase in the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023. The full impact of this change is reflected in these financial statements.

6 Intangible fixed assets

£000

License:

Cost

At 1 January 2022	-
Additions	8
At 31 December 2022	8

Amortisation

At 1 January 2022	-
Provided during the year	1
At 31 December 2022	1

Carrying amount

At 31 December 2022	7
At 31 December 2021	-

License is being written off in equal annual instalments over its estimated economic life of 4 years.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

7 Tangible fixed assets

	Land and buildings <i>At cost</i> £000	Plant, machinery and equipment <i>At cost</i> £000	Assets under construction <i>At cost</i> £000	Total £000
Cost or valuation				
At 1 January 2022	-	-	-	-
Additions*	15	532	10	557
Disposals	-	(14)	-	(14)
At 31 December 2022	15	518	10	543
Depreciation				
At 1 January 2022	-	-	-	-
Charge for the year	2	91	-	93
On disposals	-	(2)	-	(2)
At 31 December 2022	2	89	-	91
Carrying amount				
At 31 December 2022	13	429	10	452
At 31 December 2021	-	-	-	-

*On 21 January 2022, the Company acquired certain assets of Telling Architectural Limited, a privately-owned company in liquidation based in the West Midlands. The vendor was involved in the offsite manufacture, design and production of a range of cladding solutions using glass reinforced concrete (GRC) technology. These panels cater to the needs of modular construction in the mid to high-rise building segment and come in a variety of finishes from plain concrete to brick facing.

8 Stocks	2022 £000	2021 £000
Raw materials and consumables	518	-
Work in progress	16	-
Finished goods and goods for resale	96	-
	630	-

9 Debtors	2022 £000	2021 £000
Trade debtors	759	-
Amounts owed by fellow group undertakings	704	4,977
Amounts owed by parent undertakings	80,811	80,596
Prepayments and accrued income	76	-
Other debtors	776	-
	83,126	85,573

Amounts owed by parent and fellow group undertakings represent current account balances at year end, 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.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

10 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	520	-
Amounts owed to parent undertakings	2,926	2,201
Other taxes and social security costs	41	-
Accrued expenditure	186	270
Corporation tax	54	-
	<u>3,727</u>	<u>2,471</u>

Amounts owed to parent undertakings represent current account balances at year end, are unsecured, carry no interest and repayable on demand.

11 Deferred taxation

	2022	2021
	£000	£000
Accelerated capital allowances	(34)	-
Short term timing difference	9	-
	<u>(25)</u>	<u>-</u>

	2022	2021
	£000	£000
At 1 January	-	-
Charged to profit and loss account	(25)	-
At 31 December	<u>(25)</u>	<u>-</u>

12 Called-up share capital

	Nominal		2022	2021
	value	Number	£000	£000
Allotted, called up and fully paid:				
Ordinary shares	£0.10 each	756,830,000	<u>75,683</u>	<u>75,683</u>

On 26 February 2015 the company issued 15,000,000 Ordinary Shares of par value £0.10 each.

On 13 August 2015 the company issued 741,830,000 Ordinary Shares of par value £0.10 each.

The ordinary shares give full voting, dividend and capital distribution rights. There has been no change in ordinary shares allotted, called up and fully paid during the year.

13 Share premium

	2022	2021
	£000	£000
At beginning of period	13,500	13,500
At 31 December	<u>13,500</u>	<u>13,500</u>

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

14 Other reserves	2022	2021
	£000	£000
At 1 January	-	-
Share based payment	9	-
At 31 December	<u>9</u>	<u>-</u>

In the current 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.

15 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

Plant, machinery and equipment:

	2022	2021
	£000	£000
Falling due:		
within one year	17	-
within two to five years	24	-
	<u>41</u>	<u>-</u>

16 Related party transactions

The Company is a wholly owned subsidiary of Ibstock Plc as at 31 December 2022, the consolidated financial statements of which are publicly available at www.ibstockplc.co.uk. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with fellow wholly owned subsidiaries of Ibstock plc Group. During the year, the Company entered into transactions, in ordinary course of business, with other related party. Transactions entered into, and trading balance outstanding at 31 December 2022 with other related party are as follows:

Sales of goods:	2022	2021
	£000	£000
Generix Facades Ltd	<u>516</u>	<u>-</u>
Amounts owed by related parties:	2022	2021
	£000	£000
Generix Facades Ltd	<u>516</u>	<u>-</u>

Ibstock Telling GRC Limited

Notes to the Financial Statements

For the year ended 31 December 2022

17 Controlling party

The Company's immediate parent company is Ibstock Building Products Limited. The ultimate parent company, ultimate controlling party and the only Group company into which this company is consolidated is Ibstock Plc. Both Ibstock Building Products 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 on request from the Ibstock Plc website at www.ibstockplc.co.uk.

18 Non-adjusting subsequent events

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

Ibstock Telling GRC Limited

Independent Auditor's Report to the members of Ibstock Telling GRC Limited

Opinion

We have audited the financial statements of Ibstock Telling GRC Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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.

Ibstock Telling GRC Limited

Independent Auditor's Report to the members of Ibstock Telling GRC Limited (continued)

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

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 7, 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Ibstock Telling GRC Limited

Independent Auditor's Report to the members of Ibstock Telling GRC Limited (continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge of providing building supplies to the construction industry.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions
- reviewed accounting estimates for bias;
- investigated the rationale behind significant or unusual transactions; and
- overreviewed nominals of certain nominal codes for indication of any management override.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Emre Saka
for and on behalf of Cooper Parry Group Limited
Statutory Auditor
Sky View, Argosy Road, East Midlands Airport, Castle Donington
Derby, DE74 2SA
11 December 2023