

Registered number
12292985

Ibstock Manufacturing Services Limited

Annual Report and Financial Statements
For the year ended 31 December 2024

Ibstock Manufacturing Services Limited

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Ibstock Manufacturing Services Limited

Company Information

Directors

C M McLeish

J H Hudson

Company Secretary

N D M Giles (Appointed 31 July 2024)

R A Parker (resigned 31 July 2024)

Auditor

Deloitte LLP

Statutory Auditor

Four Brindleyplace

Birmingham

West Midlands

United Kingdom

B1 2HZ

Bankers

Lloyds Bank Plc

7 High Street

Leicester

United Kingdom

LE1 9FS

Registered office

Leicester Road

Ibstock

Leicestershire

United Kingdom

LE67 6HS

Registered number

12292985

Ibstock Manufacturing Services Limited

Strategic Report

The Directors present their strategic report of Ibstock Manufacturing Services Limited ('the Company') for the year ended 31 December 2024.

Principal activities

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 was the sub-contracted manufacture and supply of clay facing bricks, which are sold to a Group company. All cost of sales and administrative expenses incurred by the Company are recharges from the immediate parent company, Ibstock Brick Limited. Revenue recognised is based on a mark-up on costs incurred.

The Directors do not expect that to change in the foreseeable future.

Results

The profit for the year, after taxation, amounted to £3,721,452 (2023: £4,965,350).

The Company had net assets of £23,034,463 (2023: £19,313,011) as at 31 December 2024.

Review of business

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

	2024	2023
For the financial year:	£	£
Turnover	118,699,593	151,439,965
Operating profit	5,183,452	6,711,336
Profit after tax	3,721,452	4,965,350
At the balance sheet date:		
Shareholder's funds	23,034,463	19,313,011
Current assets as a percentage of net assets	107%	109%

The company delivered a solid performance, despite a material reduction in sales volumes, as it benefited from strong cost management and robust commercial discipline, as well as agile operational performance.

Revenues reduced by 22% to £119 million (2023: £152 million) principally driven by lower sales volumes during the first half of the year combined with a modest reduction in average selling prices.

Sales volumes increased progressively during the year, and as anticipated, market share increased during the latter part of the year and we exited 2024 with domestic market share close to the average levels achieved in 2023.

Despite these weaker volumes, effective cost reduction resulted in operating margins remaining broadly in line with last year.

Ibstock Manufacturing Services Limited

Strategic Report (continued)

Review of business (continued)

The Company retained its focus on strong commercial execution and providing high standards of service for our customers.

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 on pages 28 to 32 of the 2024 Annual Report and Accounts of Ibstock Plc, which does not form part of this report. The principal risks include regulatory and compliance, people and talent management, cyber and information system, health, safety and environment, economic conditions, financial risk management, customer and industry risk, climate change and major project delivery.

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

Credit risk:

The Company's principal financial assets are intercompany receivables. The Company's credit risk is primarily attributable to intercompany balances. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. No allowances have been recognised as at 31 December 2024 or 31 December 2023.

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.

Ibstock Manufacturing Services Limited

Strategic Report (continued)

Section 172(1) statement

The Company has no suppliers, customers, communities, direct investors or employees. The Company's only stakeholders are therefore the Group and Government & Regulators.

The Group's executive directors also sit on the boards of the Company. This forms the primary communication between stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions. This structure supports the board in performing its duties in compliance with the matters set out in section 172(1) of Companies Act 2006 ('s172').

The Directors ensure legislative and regulatory compliance with access to subject matter expertise and training as part of the on-going Group's compliance programme.

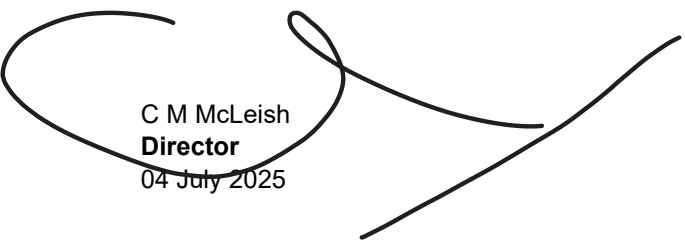
During the year, the Board continued to ensure that the Company and Group's strategy remained appropriate to deliver the long-term success of the Company, and oversaw Management's execution of the strategy. The Board carefully evaluated the likely consequences of its decisions, challenging management 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 46 of the Annual Report and Accounts 2024 of Ibstock Plc, which does not form part of this report.

This report was approved by the Board on 4 July 2025 and signed on its behalf by:



C M McLeish
Director
04 July 2025

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2024.

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, objectives and future developments 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:

C M McLeish
J H Hudson

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.

Disclosure of information to 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 information.

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

Directors' qualifying third party indemnity provisions

During the year the Company had in force an indemnity provision in favour of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Similar policies are held in other Group companies.

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 until at least 12 months from the date of approval 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 between November 2028 and November 2033, and a £125 million RCF maturing in November 2026. The Group believes it would be able to refinance these arrangements as they fall due or obtain equivalent alternative sources of finance. At 31 December 2024 the RCF was £31.0 million drawn.

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 2024 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 is prepared on a going concern basis.

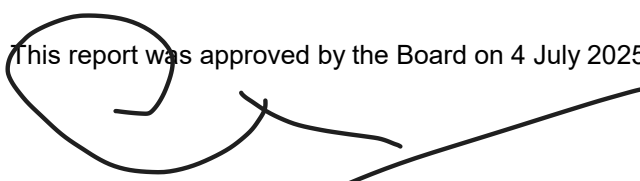
Dividends

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 2025 and signed on its behalf by:



C M McLeish
Director
04 July 2025

Ibstock Manufacturing Services Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the 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;
- state whether applicable UK Accounting Standards have been followed; 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 Manufacturing Services Limited

Income Statement

For the year ended 31 December 2024

	Notes	2024 £	2023 £
Turnover	2	118,699,593	151,439,965
Cost of sales		(103,160,084)	(135,495,526)
Gross profit		<u>15,539,509</u>	<u>15,944,439</u>
Administrative expenses		(11,426,272)	(9,729,544)
Other operating income		1,070,215	496,441
Operating profit	3	<u>5,183,452</u>	<u>6,711,336</u>
Profit before taxation		<u>5,183,452</u>	<u>6,711,336</u>
Tax on profit	5	(1,462,000)	(1,745,986)
Profit for the financial year		<u><u>3,721,452</u></u>	<u><u>4,965,350</u></u>

All activities arise from continuing operations.

The notes on pages 11 to 15 form an integral part of the financial statements.

There was no other comprehensive income or expenses for the year other than as stated in the income statement above. Accordingly, no separate statement of comprehensive income has been prepared.

Statement of Financial Position

as at 31 December 2024

	Notes	2024 £	2023 £
Current assets			
Inventories		3,265,431	2,486,155
Debtors	6	21,284,032	18,472,024
		<u>24,549,463</u>	<u>20,958,179</u>
Creditors: amounts falling due within one year	7	(1,515,000)	(1,645,168)
Net current assets		<u>23,034,463</u>	<u>19,313,011</u>
Net assets		<u>23,034,463</u>	<u>19,313,011</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	8	23,034,462	19,313,010
Total shareholder funds		<u>23,034,463</u>	<u>19,313,011</u>

The notes on pages 11 to 15 form an integral part of the financial statements.

These financial statements were approved by the Board and authorised for issue on 4 July 2025 and signed on its behalf by:



C M McLeish

Director

04 July 2025

Ibstock Manufacturing Services Limited

Statement of Changes in Equity

For the year ended 31 December 2024

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2023	1	14,347,660	14,347,661
Profit for the financial year	-	4,965,350	4,965,350
Total comprehensive income for the year	-	4,965,350	4,965,350
At 31 December 2023	1	19,313,010	19,313,011
At 1 January 2024	1	19,313,010	19,313,011
Profit for the financial year	-	3,721,452	3,721,452
Total comprehensive income for the year	-	3,721,452	3,721,452
At 31 December 2024	1	23,034,462	23,034,463

The notes on pages 11 to 15 form an integral part of the financial statements.

Ibstock Manufacturing Services Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Summary of material accounting policies

Statement of compliance

Ibstock Manufacturing Services 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, England, 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 2024.

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 Ibstock Manufacturing Services Limited were approved for issue by the Board on 4 July 2025.

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

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.

The Company has taken advantage of the reduced disclosure exemption under FRS 102 (Section 1.12(a)) and is not required to disclose a reconciliation of the number of shares outstanding between the beginning and end of the period.

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 until at least 12 months from the date of approval 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 between November 2028 and November 2033, and a £125 million RCF maturing in November 2026. The Group believes it would be able to refinance these arrangements as they fall due or obtain equivalent alternative sources of finance. At 31 December 2024 the RCF was £31.0 million drawn.

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 2024 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 is prepared on a going concern basis.

Ibstock Manufacturing Services Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Summary of material accounting policies (continued)

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, 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

Other operating income

Other operating income is attributable to government grants.

Government grants are recognised within the income statement on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Grants are presented as part of the income statement within other operating income. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised within the income statement in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

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.

Inventories

Inventories 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:

Work in progress	- cost includes all direct costs and an appropriate proportion of fixed and variable overheads.
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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, inventories 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. All inventories are classified as work in progress.

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.

Ibstock Manufacturing Services Limited

Notes to the Financial Statements

For the year ended 31 December 2024

1 Summary of material accounting policies (continued)

Taxation

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

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.

Critical accounting judgements and estimates

No critical judgements or estimates were made in applying the Company's accounting policies for the year ended 31 December 2024 or for the period ended 31 December 2023.

2 Turnover

During the year 100% (2023: 100%) of the Company's revenues were generated through sales to the immediate parent company and 100% (2023: 100%) of the Company's revenues resided in the United Kingdom. All amounts arise from continuing operations.

3 Operating profit

	2024	2023
	£	£

This is stated after charging:

Auditor's remuneration for audit	13,832	13,173
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No fees were payable to Deloitte LLP for non-audit services (2023: £nil).

4 Staff costs

	2024	2023
	£	£

Recharged wages and salaries costs	34,228,636	42,853,312
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Included in cost of sales is the above wages and salaries costs, recharged by the immediate parent company.

The Company has no employees other than Directors. The Directors' services to the Company do not occupy a significant amount of their time. As such the Directors do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2024 or for the period ended 31 December 2023.

Ibstock Manufacturing Services Limited

Notes to the Financial Statements

For the year ended 31 December 2024

5 Taxation

	2024	2023
	£	£
Analysis of result in period		
Current tax:		
UK corporation tax on profit of the period	1,400,000	1,837,924
Adjustments in respect of previous periods	19,000	(19,833)
	<u>1,419,000</u>	<u>1,818,091</u>
Deferred tax:		
Origination and reversal of timing differences	70,000	(117,403)
Adjustments in respect of previous periods	(27,000)	45,298
	<u>43,000</u>	<u>(72,105)</u>
 Tax charge on profit	 <u>1,462,000</u>	 <u>1,745,986</u>

There are no differences between the recorded tax in income statement and the expected tax at the statutory rate.

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

Factors affecting tax result for period

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

	2024	2023
	£	£
Profit before tax	<u>5,183,452</u>	<u>6,711,336</u>
Standard rate of corporation tax in the UK	25.00%	23.50%
	£	£
Profit multiplied by the standard rate of corporation tax	1,295,863	1,577,164
Effects of:		
Non deductible expenses	174,250	139,782
Change in deferred tax rate	-	(4,650)
Adjustments to tax charge in respect of previous periods	(8,000)	25,465
Total tax result for period	<u>1,462,000</u>	<u>1,745,986</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Deferred taxation

The deferred tax asset consists of the following:	2024	2023
	£	£
Share based payments	72,566	115,566
	<u>72,566</u>	<u>115,566</u>
At 1 January	115,566	43,461
Movements dealt with in the income statement	(43,000)	72,105
At 31 December	<u>72,566</u>	<u>115,566</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 £Nil

Ibstock Manufacturing Services Limited

Notes to the Financial Statements

For the year ended 31 December 2024

6 Debtors	2024 £	2023 £
Amounts owed by the immediate parent undertaking	19,880,005	18,027,523
Amounts owed by parent undertakings	1,331,461	328,935
Deferred tax asset (see note 5)	72,566	115,566
	<u>21,284,032</u>	<u>18,472,024</u>

The amounts owed by the immediate parent undertakings are unsecured, do not carry any 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.

7 Creditors: amounts falling due within one year	2024 £	2023 £
Corporation tax	<u>1,515,000</u>	<u>1,645,168</u>
	<u>1,515,000</u>	<u>1,645,168</u>

The amounts owed to parent undertakings are unsecured, do not carry any interest and are repayable on demand. The amounts owed to fellow subsidiary undertakings are unsecured, do not carry any interest and are repayable on demand.

8 Capital and reserves	Nominal value	Number	2024 £	2023 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>

The ordinary shares gives full voting, dividend and capital distribution rights.

The profit and loss reserve represents cumulative profit or losses net of dividends.

9 Commitments and contingencies

The Company has no commitments or contingencies as at 31 December 2024 or 31 December 2023.

10 Related party transactions

The Company is a wholly owned subsidiary of Ibstock plc as at 31 December 2024 and 31 December 2023, the consolidated financial statements of which are publicly available at Ibstock plc, Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with members of Ibstock plc Group. Related party balances are disclosed in Note 6 and 7.

11 Controlling party

The Company's immediate parent company is Ibstock Brick Limited. The ultimate parent company, ultimate controlling party and the only Group company into which this company is consolidated is Ibstock Plc. Both Ibstock Brick Limited and Ibstock Plc have the same registered office address at Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS.

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 Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

12 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 Ibstock Manufacturing Services Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ibstock Manufacturing Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as on 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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:

- Income Statement
- Statement of Financial Position
- Statement of Changes in Equity
- the related notes 1 to 12.

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, 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. 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 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 framework[s] 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. The key laws and regulations we considered in this context included the 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 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, valuations, pensions, 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 in-house 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.



Lee Highton (FCA)
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
4 July 2025