

Registered number  
01900103

Anderton Concrete Products Limited  
Annual Report and Financial Statements  
For the year ended 31 December 2022

**Anderton Concrete Products Limited**  
**Annual Report and financial statements 31 December 2022**  
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**Anderton Concrete Products Limited**  
**Annual Report and financial statements 31 December 2022**  
**Company Information**

**Directors**

C Holland  
C M McLeish  
D A Waters (resigned 24 March 2023)  
S Forrester  
W D Hicks

**Secretary**

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

**Auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindleyplace  
Birmingham  
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**

01900103

## Anderton Concrete Products Limited Strategic Report

The Directors present the strategic report of Anderton Concrete Products Limited ('the Company') for the year ended 31 December 2022.

### Principal activities

The Company is an indirect subsidiary of Ibstock Plc ('the ultimate parent' and 'the Group'). The Company's principal activity during the year was the manufacture and supply of precast concrete products to the building and railway industry.

### Results and dividends

The profit for the year after taxation amounts to £3,730,765 (2021 : £3,522,101).

The Directors do not recommend the payment of a dividend (2021 : £nil).

### Review of the business

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

	<b>2022</b>	<b>2021</b>	
	<b>£'000</b>	<b>£'000</b>	<b>Change %</b>
Turnover	17,273	13,829	24.9%
Operating profit	4,568	4,343	5.2%
Profit after tax	3,731	3,522	5.9%
Shareholders' funds	25,838	22,251	16.1%
Average number of employees	64	54	18.5%

This performance was achieved against a challenging backdrop of supply chain, labour availability and cost pressures, which the business managed dynamically. Whilst the industry continues to face these challenges, we are well positioned to maintain our momentum in the year ahead.

New product development continues to be an important driver of growth and a number of new products will launch in 2023, including those focused on reducing the embodied carbon within our concrete product range.

Levels of capacity and capability were enhanced by several small capital investments at our key operating locations, including investment in the Company's mould and mixer capacities.

Whilst the business continued to closely manage cash flow, we continued to invest selectively in enhancing our capital base. This included adding capacity and capability to our precast product area and we also made significant investments in digital and IT transformation projects to facilitate more efficient trading relationships with 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.

## **Anderton Concrete Products 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.

### **Financial risk management**

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

- **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 are at fixed or 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 energy and carbon to mitigate the impact of sudden price increases and monitors the energy and carbon market on an

## **Anderton Concrete Products Limited Strategic Report (continued)**

### **Section 172(1) statement**

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

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

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

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

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

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

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

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

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

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

**Anderton Concrete Products Limited**  
**Strategic Report (continued)**  
**Stakeholder statements (continued)**  
**Section 172(1) statement**

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 88 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 23 June 2023 and signed on its behalf by:



C Holland  
**Director**  
23 June 2023

The Directors present their annual report and 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 5 and form part of this report by cross reference.

### **Directors**

The persons who served as Directors during the year and subsequently from the year end to the date of this report, unless otherwise stated were:

C Holland  
C M McLeish  
D A Waters (resigned 24 March 2023)  
S Forrester  
W D Hicks

### **Auditor**

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

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

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

- so far as they is 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.

### **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 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.



**Going concern (continued)**

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.

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 2022 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.

**Subsequent events**

No other 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 23 June 2023 and signed on its behalf by:



C Holland  
**Director**  
23 June 2023

## **Anderton Concrete Products 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 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.

**Anderton Concrete Products Limited**  
**Income Statement**  
**For the year ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	2	17,272,716	13,829,402
Cost of sales		(10,230,569)	(7,645,750)
<b>Gross profit</b>		<u>7,042,147</u>	<u>6,183,652</u>
Distribution costs		(1,348,916)	(837,139)
Administrative expenses		(1,188,493)	(1,058,374)
Other operating income		62,935	54,633
<b>Operating profit</b>		<u>4,567,673</u>	<u>4,342,772</u>
Interest payable and similar expenses	6	(1,341)	(718)
<b>Profit before taxation</b>	3	<u>4,566,332</u>	<u>4,342,054</u>
Tax on profit	7	(835,567)	(819,953)
<b>Profit for the financial year</b>		<u>3,730,765</u>	<u>3,522,101</u>

All activities arise from continuing operations.

The notes on pages 12 to 25 form part of these 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 Other Comprehensive Income has been presented.

**Anderton Concrete Products Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

Registered Number: 01900103

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	1,143,789	1,076,277
<b>Current assets</b>			
Stocks	9	1,839,424	1,608,177
Debtors	10	19,390,938	19,936,841
Cash at bank and in hand		7,511,463	3,360,133
		<u>28,741,825</u>	<u>24,905,151</u>
<b>Creditors: amounts falling due within one year</b>	11	(4,048,088)	(3,513,825)
<b>Net current assets</b>		<u>24,693,737</u>	<u>21,391,326</u>
<b>Total assets less current liabilities</b>		<u>25,837,526</u>	<u>22,467,603</u>
<b>Provisions for liabilities</b>	13	-	(216,290)
<b>Net assets</b>		<u>25,837,526</u>	<u>22,251,313</u>
<b>Capital and reserves</b>			
Called up share capital	14	275,000	275,000
Other reserves - share based payments	16	253,871	226,419
Profit and loss account	16	25,308,655	21,749,894
<b>Shareholders' funds</b>		<u>25,837,526</u>	<u>22,251,313</u>

The notes on pages 12 to 25 form part of these financial statements.

These financial statements were approved by the Board and authorised for issue on 23 June 2023 and signed on its behalf by:



C Holland  
**Director**  
23 June 2023

**Anderton Concrete Products Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

	Share capital	Other reserves - Share based Payment	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2021</b>	275,000	215,142	18,227,793	18,717,935
Profit for the financial year	-	-	3,522,101	3,522,101
Total comprehensive income for the financial year	-	-	3,522,101	3,522,101
Share based payment (note 18)	-	11,277	-	11,277
<b>At 31 December 2021</b>	<u>275,000</u>	<u>226,419</u>	<u>21,749,894</u>	<u>22,251,313</u>
<b>At 1 January 2022</b>	275,000	226,419	21,749,894	22,251,313
Profit for the financial year	-	-	3,730,765	3,730,765
Total comprehensive income for the financial year	-	-	3,730,765	3,730,765
Share based payment (note 18)	-	27,452	-	27,452
Waiver of intragroup debtor (Note 10)	-	-	(172,004)	(172,004)
<b>At 31 December 2022</b>	<u>275,000</u>	<u>253,871</u>	<u>25,308,655</u>	<u>25,837,526</u>

The notes on pages 12 to 25 form part of these financial statements.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**1 Summary of significant accounting policies**

***Statement of compliance***

Anderton Concrete Products 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 £.

***Reduced disclosure exemptions***

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

At 31 December 2022, the company was a wholly owned subsidiary of Ibstock Plc.

The consolidated financial statements of the Group are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, LE67 6HS and the Group website 'www.ibstockplc.co.uk'. Accordingly, the company has taken advantage of the exemption with Section 33 of FRS 102 from disclosing transactions with wholly owned subsidiaries of Ibstock Plc.

The company has also taken advantage of the financial instrument disclosure requirement exemptions from making certain disclosures set out within Sections 11 and 12 of FRS 102, and the exemption from disclosing key management compensation (other than Directors' emoluments) under FRS 102 (Section 1.12).

The company has elected to avail itself of the disclosure exemption within FRS 102 (Section 1.12(d)) in relation to certain share-based payment disclosure requirements as it is a subsidiary with share-based payment 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.

***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 this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

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

***Going Concern (continued)***

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.

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 2022 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.

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

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

***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 and from the rendering of services.

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

***Bill and hold***

In a bill and hold arrangement, revenue is recognised when a customer has obtained control of a product, which arises when all of the following criteria are met: (a) the reason for the arrangement is substantive, (b) the product has been identified separately as belonging to the customer, (c) the product is ready for delivery in accordance with the terms of the arrangement, and (d) the Company does not have the ability to use the product or sell the product to another customer.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

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

***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.

***Other Income***

Other income is attributable to a corporation tax credit for research and development and government grants.

***Government grants***

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

Grants are presented as part of the income statement and are included as other 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 Group 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 Group will comply with the conditions attached to them and that the grants will be received.

***Tangible assets***

A tangible asset is recognised when future economic benefits are expected. All tangible assets are initially recorded at cost. The carrying values of property, plant and equipment are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable.

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

Depreciation is provided on all tangible assets, other than freehold land which is not depreciated, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	between 3 and 15 years
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**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

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

***Stocks***

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

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

Finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

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

***Debtors***

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

***Creditors***

Short term creditors are measured at transaction price (which is usually the invoice price).

***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 year 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 the income statement.

***Leases***

A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership.

These assets are capitalised as tangible assets at the fair value of the lease asset and are depreciated over the shorter of the lease term and their useful lives.

All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

The group also operates a defined benefit plan. The pension plan is administered and accounted for by Ibstock Brick Limited.

For the defined benefit scheme, it is not possible to apportion the underlying assets and liabilities for the scheme to individual companies on a consistent and reasonable basis. The company is therefore accounting for the contributions as if it were a defined contribution scheme.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

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

***Taxation***

A current tax liability is recognised for the tax payable on the taxable profit of the current and past years using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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.

***Share based payments***

The cost of equity-settled share based payment transactions with employees is measured by reference to the fair value of the share options granted at the date they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The awards are made in Ibstock Plc.

Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting condition, other than condition linked to the price of the shares of the company (market conditions) and non-vesting conditions.

At each statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vested, as described above. The movement in cumulative expense since the previous statement of financial position date is recognised in the income statement, with a corresponding entry in equity.

Further details on share based payments are set out in note 18.

**2 Turnover**

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts.

The total turnover for the company for the year has been derived from its principal activity wholly undertaken in the UK.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

<b>3 Profit before taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned tangible assets	303,064	486,496
Operating lease rentals - plant and machinery	415,161	131,888
Operating lease rentals - land and buildings	161,966	259,000
Impairment of stock recognised as an expense	48,308	34,302
Auditor's remuneration for audit of the Company's annual accounts	46,000	42,000
Loss on disposal of tangible fixed assets	-	11,650
	<u>          </u>	<u>          </u>

There were no non audit services provided to the company in either 2022 or 2021.

<b>4 Directors' remuneration</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Emoluments	234,446	250,668
Gains made under share schemes	22,298	-
Company contributions to defined contribution pension plans	16,499	8,152
	<u>273,243</u>	<u>258,820</u>

The aggregate emoluments of the highest paid Director was £142,737 (2021: £119,819) and company pension contributions of £9,322 (2021: £5,115) were made to a money purchase scheme on his behalf. The highest paid Director did not receive shares for qualifying services or exercise any options in either the current or prior year.

One Director of the company (2021: two) is also a director of other group undertakings and received remuneration and pension contributions, which was paid by other group undertakings. The Director does not believe that it is practicable to apportion this amount between their services as Director of the company and their services as Director of other group undertakings.

<b>Number of directors in company pension schemes:</b>	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Number of Directors accruing benefits under money purchase schemes	<u>4</u>	<u>1</u>

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

<b>5 Staff costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,411,376	1,969,104
Social security costs	266,906	221,515
Other pension costs	101,210	71,734
	<u>2,779,492</u>	<u>2,262,353</u>

Included in staff costs above is a total expense of share based payments of £27,452 (2021: £11,277) which arises from transactions accounted for as equity settled share based payments.

In the prior year, the Company voluntarily returned £46,132 of furlough funds received during 2020 under the Government's Coronavirus Job Retention Scheme ("CJRS") in respect of colleagues subsequently made redundant.

<b>Average monthly number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	8	5
Manufacturing	56	49
	<u>64</u>	<u>54</u>

<b>6 Interest payable and similar expenses</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other Interest paid	-	718
Foreign exchange losses	1,341	-
	<u>1,341</u>	<u>718</u>

<b>7 Tax on profit</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in the year</b>		
Current tax:		
UK corporation tax on profits of the year	810,298	731,866
Adjustments in respect of previous years	23,883	15,589
Total current tax	<u>834,181</u>	<u>747,455</u>
Deferred tax:		
Origination and reversal of timing differences	61,261	84,287
Effect of increased tax rate on opening liability	(25,880)	6,326
Adjustments in respect of previous years	(33,995)	(18,115)
	<u>1,386</u>	<u>72,498</u>
Tax on profit	<u>835,567</u>	<u>819,953</u>

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**7 Tax on profit (continued)**

**Factors affecting tax charge for the year**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>4,566,332</u>	<u>4,342,054</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
	<b>£</b>	<b>£</b>
Profit multiplied by the standard rate of corporation tax	867,603	824,990
Effects of:		
Expenses not deductible for tax purposes	22,840	15,119
Capital allowances super-deduction	(18,884)	(23,956)
Change in deferred tax rate	(25,880)	6,326
Adjustments to tax charge in respect of previous years	<u>(10,112)</u>	<u>(2,526)</u>
Tax on profit	835,567	819,953

**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.

**8 Tangible assets**

	<b>Plant and machinery</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	8,190,881
Additions	<u>370,576</u>
At 31 December 2022	<u>8,561,457</u>
<b>Depreciation</b>	
At 1 January 2022	(7,114,604)
Charge for the year	<u>(303,064)</u>
At 31 December 2022	<u>(7,417,668)</u>
<b>Carrying amount</b>	
At 31 December 2022	1,143,789
At 31 December 2021	1,076,277

A loss on disposal of property plant and equipment of £nil has been recognised in the year ended 31 December 2022 (2021: £11,650 loss).

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

<b>9 Stocks</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	531,723	496,677
Finished goods and goods for resale	1,307,701	1,111,500
	<u>1,839,424</u>	<u>1,608,177</u>

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

<b>10 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,558,893	1,899,594
Amounts owed by parent undertakings	4,860,620	5,070,195
Amounts owed by fellow subsidiaries	12,808,513	12,823,371
Deferred tax asset (see note 12)	68,859	70,245
Prepayments and accrued income	94,053	73,436
	<u>19,390,938</u>	<u>19,936,841</u>

In 2022, the Company waived an amount owed by fellow subsidiaries of £172,004. This has been accounted for as a distribution in line with FRS 102 section 6.

The amounts owed from parent undertakings and fellow subsidiaries have no set payment date, are repayable on demand, interest free and unsecured. These amounts have been recorded as current assets as plans are being put in place to settle them with their related counterparties and these are not expected to be used on a continuing basis.

<b>11 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,836,141	1,929,366
Amounts owed to fellow subsidiaries	423,594	244,766
Corporation tax	769,270	696,314
Other taxes and social security costs	207,957	46,091
Accruals and deferred income	811,126	597,288
	<u>4,048,088</u>	<u>3,513,825</u>

The amount owed to parent undertakings and fellow subsidiaries have no set payment date, are repayable on demand, interest free and unsecured.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

<b>12 Deferred taxation</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	(46,295)	(81,137)
Share based payments	(2,905)	(4,985)
Provisions	(19,659)	15,877
Deferred tax asset	<u>(68,859)</u>	<u>(70,245)</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 January	(70,245)	(142,743)
Origination and reversal of timing differences	27,266	66,172
Effect of change in tax rate	(25,880)	6,326
At 31 December	<u>(68,859)</u>	<u>(70,245)</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 £705.

**13 Provisions for liabilities**

	<b>Onerous leases</b>
	<b>£</b>
At 1 January 2022	216,290
Amounts reversed unused	<u>(216,290)</u>
At 31 December 2022	<u>-</u>

During the year ended 31 December 2020, the Company recognised a provision arising from obligations for certain onerous leases following the triggering event of the formal decision to exit the related leases. The provisions are based on the Company's best estimate of the likely committed cash outflow with uncertainties in relation to the ultimate timing and valuation of any settlement regarding vacant properties.

During the year ended 31 December 2022, the Company did not exercise the option to break on the property lease and decided to keep the property within the business, as such the onerous lease provision has been released.

<b>14 Called up share capital</b>	<b>Nominal value</b>	<b>2022 and 2021 Number</b>	<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
Authorised, Allotted, called up and fully paid:				
Ordinary shares	£1 each	275,000	275,000	275,000
			<u>275,000</u>	<u>275,000</u>

Ordinary shares give full voting, dividend and capital distribution rights.

The company has one class of ordinary shares which carry no right to fixed income.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**15 Controlling party**

At the year ended 31 December 2022, the company's immediate parent company is Ibstock Group Limited.

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

Copies of its group financial statements are available from that Ibstock Plc website at [www.ibstockplc.co.uk](http://www.ibstockplc.co.uk).

**16 Capital and reserves**

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

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

**17 Lease Commitments**

At the year end the company had future minimum rentals under non-cancellable operating leases as set out below:

	<b>Land and buildings 2022 £</b>	<b>Land and buildings 2021 £</b>	<b>Other 2022 £</b>	<b>Other 2021 £</b>
Amounts payable:				
within one year	437,726	224,205	123,273	110,426
within two to five years	1,568,589	746,904	89,062	199,255
in over five years	712,890	61,901	-	-
	2,719,205	1,033,010	212,335	309,681

The increase of the land and buildings lease commitments is due to the renewal of the property leases for Northwich and Bootle site in 2022.



**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

<b>18 Share based payments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Share option and saving related share option expense	27,452	11,277
	<u>27,452</u>	<u>11,277</u>

The Group operates a number of equity settled share-based payment arrangements relating to equity of the parent company. For each scheme, the company takes its portion of the Group's share-based payment charge based on the number of awards to its employees. These schemes are summarised below:

***Ibstock Long-Term Incentive Plan (LTIP)***

In December 2015, the Ibstock Plc Group introduced a LTIP for key management. Subsequent LTIP awards were made annually with the current year award made in April 2022. The equity awards under the scheme were based on a proportion of salary, granted at nil cost and with performance conditions dependent upon the Group's earnings per share and total shareholder return. These awards vest three years from the date of award and have a maximum exercise term of seven years from the date of vesting. There is a two year holding period for executive Directors.

***Ibstock Share Option Plan (SOP)***

In December 2015, the Ibstock Plc Group introduced a SOP for all eligible employees under which share options were granted with an exercise price in line with the market price at the date of grant and a vesting period of three years. Subsequent SOP awards were made in April 2016, March 2017, April 2018 and May 2019. There are no performance conditions associated with any SOP award. These awards vest three years from the date of award and have a maximum exercise term of seven years from the date of vesting. During the year ended 31 December 2022, no options were granted to management under the SOP.

***Ibstock Save As You Earn (SAYE) plan***

In December 2015, the Ibstock Plc Group introduced a SAYE plan for all employees allowing all participants to make contributions from their salary on a monthly basis over a three year period. A participating employee who enters into a savings agreement is granted an option to acquire ordinary shares under the Sharesave Plan at a specified exercise price. The exercise price was at a discount of 20% on the market price at the date of grant and participation is dependent upon continued employment within the Ibstock Group for the duration of the scheme. An equivalent SAYE was introduced in April 2021. There are no performance conditions associated with the SAYE. These awards vest three years from the date of award and have a maximum exercise term of six months from the date of vesting.

***Ibstock Share Incentive Programme (SIP)***

In 2022, the Ibstock Plc Group announced a SIP 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. These awards vest two years from the date of award.

In December 2015, the Ibstock Plc Group introduced a SIP, which all employees were entitled to join. This provided free shares up to a value of £800 per employee depending on their period of service. The vesting period is three years from the date of grant. There are no performance conditions associated with the SIP. These awards vest three years from the date of award and have a maximum exercise term of five years from the date of vesting.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**18 Share based payments (continued)**

***Ibstock Senior Manager Share Plan (SMSP)***

During the year ended 31 December 2021, the Group introduced the SMSP for certain members of management. Awards under the scheme are granted in the form of nil-priced share options. The SMSP awards contain performance conditions dependent upon the growth of the Group's profitability. The SMSP has an employment condition of two years. The current year SMSP awards were made in April 2022.

***Ibstock Annual and Deferred Bonus Plan (ADBP)***

The first ADBP deferred awards were made in relation to the year ended 31 December 2016 with options issued in March 2017. The main terms of the award are a minimum deferral period of three years, during which time no performance conditions apply. At 31 December 2022, an amount of £nil (2021: £nil) had been recognised in accruals in relation to this award. These awards vest three years from the date of award at which point they are automatically exercised.

Further details of the arrangements are set out in note 26 of the Ibstock Plc 2022 Annual Report and Accounts. Costs are allocated on the basis of options granted by the Scheme to employees of the Company.

The other reserve component of equity represents the element of retained earnings related to the charges for share based payments.

**19 Pension scheme**

The company participates in both defined contribution and defined benefit pension schemes. All schemes are funded by the payment of contributions to trustee administered funds which are kept entirely separate from the assets of the group.

The total pension cost for the year for the company in respect of defined contribution schemes was £91,210 (2021: £61,734).

The defined benefit scheme is known as the 'Ibstock Pension Scheme', a multi-employer defined benefit pension scheme in the UK. It is not possible to apportion the underlying assets and liabilities of the scheme to individual companies on a consistent and reasonable basis. The company is therefore accounting for contributions to the scheme as if it were a defined contribution scheme and recognised costs of £10,000 (2021: £10,000). As disclosed in the Ibstock Brick Limited financial statements there is a surplus of £15,194,000 at 31 December 2022 (2021: £57,754,000 surplus).

During the year ended 31 December 2016, following consultation with the members, accounting for the scheme's closure to future accrual from 1 February 2017 occurred as set out in the financial statements of Ibstock Brick Limited. Following closure, all members transferred to the Company's defined contribution scheme. Further disclosures can also be found in the Ibstock Brick Limited financial statements. The Ibstock Brick Limited financial statements are available on request from Companies House website: <https://www.gov.uk/government/organisations/companies-house>.

**20 Related party transactions**

The Company is a wholly owned subsidiary of Ibstock Plc as at 31 December 2022, the consolidated accounts of which are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, LE67 6HS. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with wholly owned subsidiaries of the Ibstock Plc Group. Related party balances are disclosed in note 10 and note 11.

**Anderton Concrete Products Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**21 Controlling party**

The Company's immediate parent company is Ibstock Group Limited. The ultimate parent company, ultimate controlling party and the only Group company into which this Company is consolidated is Ibstock Plc. Both Ibstock Group 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](http://www.ibstockplc.co.uk).

**22 Subsequent events**

On 31 May 2023, the Company completed a trade and assets acquisition from G-Tech Coper Ltd, a privately owned company based in East Yorkshire. This acquisition is expected to further enhance the rail business in the Company.

No other 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 Anderton Concrete Products Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

#### **Basis for opinion**

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's')

Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

The other information comprises the information included in the annual report, 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.

## **Independent auditor's report to the members of Anderton Concrete Products Limited (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and 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 frameworks that the company operates in, and identified the key laws and regulations that:

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

We discussed among the audit engagement team including relevant internal specialists such as tax, pension and IT specialists 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.

## Independent auditor's report to the members of Anderton Concrete Products Limited (continued)

### 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  
23 June 2023