

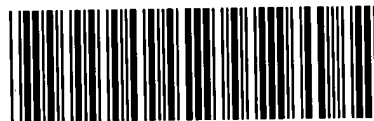
Registration number: 09268030

# Cities Group Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

FRIDAY



\*ABDNCAMW\*

A35

30/09/2022

#316

COMPANIES HOUSE

## **Cities Group Holdings Limited**

### **Contents**

Strategic Report	1 to 5
Directors' Report	6 to 8
Statement of Directors' Responsibilities	9
Independent Auditor's Report	10 to 12
Profit and Loss Account	13
Statement of Comprehensive Income	14
Balance Sheet	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 32

## Cities Group Holdings Limited

### Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for Cities Group Holdings Limited (the "Company") for the year ended 31 December 2021.

#### Fair review of the business

The Company acts as a holding company and its principal activities consist of holding shares in subsidiaries.

For the year ended 31 December 2021 the Company recorded a profit of £518.8 million (2020: loss of £318.8 million). The profit for the year includes a £200.0 million dividend received from its subsidiary company, Tarmac Holdings Limited, and £318.8 million from the reversal of the 2020 impairment charge recognised against the Company's investment in Tarmac Holdings Limited. Net assets amounted to £1,788.2 million at 31 December 2021 (2020: £1,469.4 million).

On 24 November 2021 the share capital of the Company was reduced from £1,685,000,001 to £1 by way of solvency statement procedure and application of funds to the profit and loss account of £1,685,000,000.

A dividend of £200.0 million (2020: £nil) was paid to the Company's immediate parent company, CRH (UK) Limited during the year.

The Directors do not anticipate any major change in the nature of the Company's business in the foreseeable future.

#### Key performance indicators

In order to realise its strategic aims, the Company has identified areas of particular focus and has put into place a number of Key Performance Indicators (KPIs) to measure and assess progress against them. The following indicators are calculated for the continuing operations of the Company and before exceptional items:

	2021	2020
	£'000	£'000
Profit/(loss) after tax	518,755	(318,754)
Net assets	1,788,195	1,469,440

Profit/(loss) after tax is deemed to be a KPI as it provides insight as to the level of activity and level of profitability for each financial year. Net assets is deemed to be an appropriate and relevant KPI due to the nature of the Company being a holding company.

#### Principal risks and uncertainties

The principal risks are set out below.

The financial performance of the Company is affected by borrower credit quality and general conditions. Risks arising from changes in credit quality and the recoverability of loans and amounts due from other group companies are inherent in the Company's business.

Adverse changes in the credit quality of the Company's borrowers or general deterioration in economic conditions or arising from the systematic risks in the financial system could affect the recoverability and value of the Company's asset and require a provision for bad and doubtful debt and other provisions.

The most significant risks the Company faces are interest rate risks. Changes in interest rate level, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs and could result in decreased net finance income.

#### Financial risk management objectives and policies

The Company uses financial instruments throughout the business such as interest bearing loans and borrowings and cash and cash equivalents, which are used to finance the Company operations and intercompany receivables which arise directly from operations.

The main risks attached to the Company's financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

## **Cities Group Holdings Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

#### **Interest rate risk**

The Company's exposure to market risks for changes in interest rates stem predominantly from its long-term debt obligations. Interest cost is managed centrally, by a centrally controlled CRH plc treasury function using a mix of fixed and floating rate debt.

#### **Credit risk**

Debtor balances give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of this rating. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the financial assets as reported in the balance sheet.

#### **Liquidity Risk**

The Company is exposed to liquidity risk which arises primarily from the maturing of short term and long-term debt obligations. The Company's policy is to ensure that sufficient resources are available either from cash balances, cash flows from other group companies or undrawn committed bank facilities, to ensure all obligations can be met as they fall due. To achieve this objective, the Company maintains cash balances and liquid investments in highly rated counterparties, limits the maturity of cash balances, borrows the bulk of its debt needs under committed bank lines or other term financing, and has surplus committed lines of credit.

The Company is part of a zero balancing cash pool arrangement between subsidiaries of CRH (UK) Limited. Each company participating in the cash pooling arrangement has cash automatically swept to/from its account on a daily basis so that the balance reverts to zero at the end of each day. Balances are interest bearing.

#### **COVID-19 pandemic**

The Directors have considered the continued COVID-19 pandemic and national lockdowns within the UK during the early part of 2021. They have taken into account the nature of the Company's activities, which consist of the acting as a holding company and holding shares in subsidiaries. The 2020 and 2021 results were not impacted by the COVID-19 pandemic and the pandemic is not expected to have a significant impact on the Company's business in 2022. Furthermore, the Directors do not expect any impact on amounts due from other group companies who trade in the construction industry as although there remains a level of uncertainty around the short-term impact of any future outbreaks of COVID-19, it is hoped that any restrictions implemented would be localised and that activity could continue with mitigating measures put in place.

## Cities Group Holdings Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Section 172 statement

Set out below is the Company's section 172 report as required under the Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations"). The Regulations require the Company to report how the Directors of the Company have considered their duties under section 172 (the Companies Act 2006) ("Section 172"), to promote the success of the Company, for the benefit of its members as a whole, and in doing so have regard, amongst other matters:

- to the likely consequences of any decision in the long term;
- the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Company is part of the CRH sub-group of companies in the UK and is ultimately owned by CRH plc (CRH). CRH and its subsidiaries are referred to as the Group. In the management of its subsidiaries, the Group defines the measurement of success as long term value creation for the benefit of both the immediate entity and the wider Group, whilst considering the priorities and feedback of the key stakeholders including the societies and communities the Group conducts business and operates across.

The Company's corporate purpose is to hold shares in its subsidiary companies, whose principal purpose is to manufacture and supply building materials, building and civil engineering activities and the provision of clay brick storage, despatch and sales services, as part of the wider corporate structure of the Group. A key principle applied by our Directors is to always consider whether the decision they are about to take leads to a positive long-term increase in the value of the Company for the benefit of the shareholder aligned to wider stakeholder interests including those companies of which the Company's holds investment in.

The Group recognises the need to have appropriate levels of corporate governance across its subsidiaries as part of its approach to risk mitigation. The Group maintains strong levels of corporate governance at both an enterprise wide and legal entity level. As a result of increased regulation and the Directors' belief that it is the right thing to do in promoting and delivering against the Group's purpose and values, CRH and its UK subsidiary boards have recognised the need to formalise and implement key standards across its UK subsidiaries. Underpinning this approach to corporate governance is the CRH UK Corporate Governance policy (the "Policy"). The Policy is applicable to all operating CRH UK entities and sets out clear corporate governance controls and processes that support the Directors of the Company in executing their statutory duties.

#### Decision making and corporate governance process

The Company's board of directors (the "Board") have clear processes to follow when considering decisions, including principal decisions, which are strategically and commercially material decisions that impact the Company's key stakeholders. Responsibility for decision making on certain decisions, including principal decisions, is delegated to the board of CRH. The Board confirms and ratifies any decisions made on its behalf.

As part of the Group's corporate governance processes, board paper preparers must ensure that the information provided to the Board and CRH, to help support and inform decision making, is of a high quality and integrity. The corporate governance controls set out under the Policy provides a decision making framework that ensures everyone involved in, and contributing to, the decision making process understands the duties which the Directors must consider when making decisions and other applicable regulations. This enables the Directors to have sufficient oversight and access to relevant information, therefore leading to effective and sustainable decision making.

## Cities Group Holdings Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Directors' training

The Group's Legal, including company secretarial, team supports the Group in operating consistently, in line with the policies and with its values which includes leading with integrity and building enduring relationships. The Group's Legal team provides advice, guidance and support to the Group's management teams in order that they can effectively support the Board in the critical matters and regulatory issues which they must consider in making their decisions. The Legal team provides support on a range of matters, including establishing policies and procedures, providing compliance training, issuing communications and legal advice on compliance and business issues.

The employees of the Group, which includes the Directors, are provided with regular Code of Business Conduct training. Certain employees, determined according to the risk profile of their role, undertake annual advanced compliance training covering Anti-Bribery, Anti-Trust, Anti-Fraud and Anti-Theft. The training provided, and the policies and procedures in place throughout the Group, enables the Directors to be committed to operating the business to the highest ethical, moral and legal standards when making decisions and considering stakeholders, and putting the Group's core ethical values of integrity, honesty and respect for the law into practice in their daily duties. This commitment is adopted throughout the Group, by all employees.

#### Board composition

The Company's Board, which comprises two directors (for further information refer to the Directors' Report), collectively has a broad range of skills and knowledge including general management, finance and legal industry experience to enable the Company to meet the needs of its business and for the Directors to each carry out their role and statutory duties to a high standard whilst having due regard to the Company's stakeholders. The Board's collective experience enables them to consider a broad range of stakeholders in their deliberations and decision making and align their decisions to the corporate purpose of the Company, to provide financial support to other Group companies, whilst continuing to create value for the long-term.

Before any director is appointed to the Board, the Group is consulted to ensure the composition of the Board is appropriate, taking into consideration the existing skills and experience of the Board as well as the appointee.

#### Stakeholder engagement

The principal activity of the Company is to act as a holding company for other entities in the CRH sub-group in the UK. The Company's key stakeholders are its shareholder and other Group companies. When making decisions, the Board must consider both the short and long term impact of decisions and also how the decisions made affect both the shareholder as well as other Group companies. This is to ensure the long-term success of the Company and sustainable value creation for the shareholder and ultimately, CRH.

Where a principal decision is to be made, an impact assessment will be undertaken by the Board or on its behalf, the results of which will be documented for recommendation to the Board or CRH if the decision has been delegated. The impact assessment will provide an assessment of a number of considerations including the impact of the principal decision on key stakeholders, how each key stakeholders' interest was considered throughout the assessment process, details of any risks identified and resulting actions proposed to be taken to monitor and mitigate those risks and consideration of any potential impacts on the Company's reputation and how that impact will be monitored. The Board will regularly review the Company's stakeholders, confirming and recording how the Directors formed the opinion that they are or remain key stakeholders.

Consideration of environmental and sustainability factors is of growing importance to the Board, CRH and its stakeholders. The Board is aware of the key sustainability issues underpinning the investments in which the Company is a shareholder and the wider implications of being part of CRH. For further information refer to the latest CRH Sustainability Report, available on the CRH website, which explains more on the CRH sustainability strategy.

## Cities Group Holdings Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Principal decisions

In line with the Regulations, the Policy and FRC guidance, and having considered the Company's principal risks and uncertainties as detailed in the Strategic Report along with the business undertaken during the period under review, the Company made the following principal decisions during the year ended 31 December 2021:

- the approval of the recommendation of the reduction of the Company's share capital from £1,685,000,001 to £1, with the amounts so reduced credited to the Company's retained earnings; and
- the payment of an interim cash dividend of £200,000,000 to the shareholder.

In making their decisions, the Board took into account the Company's strong capital position, the amount of its distributable reserves, as well as its cash position. Consideration was given to the Company's actual and contingent liabilities, and the ability of the Company to be able to pay its debts as they fell due. The Company understands the importance of delivering dividends to its shareholder. The Company is therefore committed to maintaining an appropriate balance between total cash returns to its shareholder, investment in the business and maintaining a strong capital position.

In undertaking principal decisions and respecting the Company's purpose and function with CRH engagement was undertaken at an enterprise level to ensure that the decisions were appropriate and right for the Company and the Group.

30-Sep-2022

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:

Andrew Donnan

308394076A0044D.....

AJW Donnan

Director

## **Cities Group Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The Directors of Cities Group Holdings Limited (the "Company") present their report and audited financial statements for the year ended 31 December 2021. The Company is private and limited by shares, incorporated and domiciled in England and Wales and operating under the Companies Act 2006.

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies), including Financial Reporting Standards 101 'Reduced Disclosure Framework'.

#### **Directors of the Company**

The Directors, who held office during the year and to the date of this report, except where otherwise stated, were as follows:

KE Smart

AJW Donnan

#### **Results and dividends**

The Company's result for the year after tax amounted to a profit of £518.8million (2020: £318.8 million loss) which includes £318.7 million from the reversal of the 2020 impairment charge recognised against the Company's investment in Tarmac Holdings Limited. A dividend of £200.0 million, £200.0 million per share, was paid in the year (2020: £nil)

#### **Employee Engagement Statement**

The Company is a holding company and any engagement is completed on a Group wide basis by CRH. The Company has no employees.

The CRH plc group engages with their employees to provide them with information and keep them up to date on matters of concern to them as employees and to increase their awareness of the financial and economic factors affecting the Company's performance and the Group's performance. They also encourage their employees to provide their feedback to them and they enable two-way communication with their employees to generate understanding and engagement.

It is CRH group-wide policy to communicate with, and involve employees on, matters affecting their interests at work and to inform them of the performance of the business. This includes adopting such employee consultation as is appropriate, including consultative committees, training and development and communication programmes.

Throughout the year, CRH has ensured regular internal communication across the business on regulatory updates, workplace changes and health and wellbeing. While the COVID-19 pandemic continued, workforce engagement remained a key priority area during 2021, with a particular focus being on the ways in which CRH could support the health & well-being of employees in the current environment.

#### **Principal Decisions**

For details on the process behind making decisions, including principal decisions, the effect of engagement on those decisions please refer to the section 172(1) statement on page 3 of the strategic report.

#### **Future developments**

The Directors do not anticipate any major change in the nature of the Company's business in the foreseeable future.

#### **Financial instruments**

The main risks associated with the Company's financial assets and liabilities are described in the Strategic report.



## **Cities Group Holdings Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Going concern**

The Directors have considered going concern in preparing these financial statements. The Company participates in a Group zero balancing cash pool arrangement. Each company participating in the cash pooling arrangement has cash automatically swept to/from its account on a daily basis so that the balance sheet reverts to zero at the end of each day.

Management continues to review the market and will take all necessary steps to ensure the business' long-term success. The Company's business activities, together with principal risks and uncertainties likely to affect its future performance are described in the Strategic Report. The Company's forecast and projections taking into account possible changes in performance, show the Company is reliant on adequate financial resources being made available to enable the Company to continue for the foreseeable future. The Company has received confirmation of ongoing support from CRH plc for a period of at least 12 months from the date of the approval of these financial statements. Forward looking plans have been prepared for CRH plc to reflect severe but plausible downside scenarios. Even considering plausible downside scenarios there are sufficient funds to allow the Company to continue in operational existence for the foreseeable future.

After making enquiries and having received the confirmation of ongoing support from CRH plc for the next 12 months from the date of approval of these financial statements, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Post balance sheet events**

The Directors have considered all post-year end transactions, information received and events, up to the date these accounts are signed, for anything that may be either an adjusting or non-adjusting post balance sheet event. There was nothing identified requiring adjustment to, or disclosure in the current year financial statements.

#### **Political donations**

The Company made no donations to political parties during the year ended 31 December 2021 (2020: £nil).

#### **Charitable donations**

The Company did not make any charitable donations in the year (2020: £nil)

#### **Directors indemnities**

The Articles of Association of the Company contain an indemnity in favour of all of the Directors of the Company that, subject to law, indemnifies the Directors, out of the assets of the Company, from any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

#### **Disclosure of information to the auditors**

Each Director has taken 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. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

## Cities Group Holdings Limited

### Directors' Report for the Year Ended 31 December 2021 (continued)

#### Auditor

Deloitte LLP have indicated their willingness to be reappointed as auditor. No notice in accordance with s488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of auditors under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in the absence of an Annual General Meeting.

30-Sep-2022

Approved by the Board on ..... and signed on its behalf by:

DocuSigned by:

Andrew Donnan

.....209394DZ6A0044D.....

AJW Donnan

Director

## **Cities Group Holdings 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 101 "Reduced Disclosure Framework". 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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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.

## **Independent Auditor's Report to the Members of Cities Group Holdings Limited**

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

#### **Opinion**

In our opinion the financial statements of Cities Group Holdings Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Accounting Policies; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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.

## **Independent Auditor's Report to the Members of Cities Group Holdings Limited (continued)**

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 Statement of Directors' Responsibilities, 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 about their own identification and assessment of the risks of irregularities.

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, 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 the Bribery Act.

We discussed among the audit engagement team including relevant internal specialists such as tax 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:

## **Independent Auditor's Report to the Members of Cities Group Holdings Limited (continued)**

- reviewing financial statement disclosures by testing to supporting documentation and 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 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.

### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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:

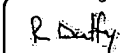
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

DocuSigned by:



.....9E63CA67EDEA45C.....

Ryan Duffy (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

30-Sep-2022

Date:.....

## Cities Group Holdings Limited

### Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Income from shares in group undertakings		200,000	-
Interest receivable and similar income	5	-	1
Fixed assets impairment reversal/ (impairment)	9	<u>318,755</u>	<u>(318,755)</u>
Profit/(loss) before tax		518,755	(318,754)
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u><u>518,755</u></u>	<u><u>(318,754)</u></u>

The above results were derived from continuing operations.

**Cities Group Holdings Limited****Statement of Comprehensive Income for the Year Ended 31 December 2021**

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
Profit/(loss) for the year	518,755	(318,754)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year	<u>518,755</u>	<u>(318,754)</u>



**Cities Group Holdings Limited**  
**(Registration number: 09268030)**  
**Balance Sheet as at 31 December 2021**

	Note	31 December 2021 £ 000	31 December 2020 £ 000
<b>Fixed assets</b>			
Investments	9	1,787,594	1,468,839
<b>Current assets</b>			
Debtors	10	<u>601</u>	<u>601</u>
<b>Net assets</b>		<u>1,788,195</u>	<u>1,469,440</u>
<b>Capital and reserves</b>			
Called-up share capital	11	-	1,685,000
Profit and loss account	12	<u>1,788,195</u>	<u>(215,560)</u>
<b>Shareholders' funds</b>		<u>1,788,195</u>	<u>1,469,440</u>

30-Sep-2022

Approved by the Board and authorised for issue on ..... They were signed on its behalf by:

DocuSigned by:

Andrew Donnan

2093B4076A0044D.....

AJW Donnan

Director

The notes on pages 17 to 32 form an integral part of these financial statements.

# Cities Group Holdings Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	1,685,000	103,194	1,788,194
Loss for the year	-	(318,754)	(318,754)
Total comprehensive expense	-	(318,754)	(318,754)
At 31 December 2020	1,685,000	(215,560)	1,469,440

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	1,685,000	(215,560)	1,469,440
Profit for the year	-	518,755	518,755
Total comprehensive income	-	518,755	518,755
Dividends	-	(200,000)	(200,000)
Share capital reduction	(1,685,000)	1,685,000	-
At 31 December 2021	-	1,788,195	1,788,195

## **Cities Group Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales, operating under the Companies Act 2006.

The address of its registered office is:

Ground Floor  
T3 Trinity Park  
Bickenhill Lane  
Birmingham  
B37 7ES  
United Kingdom

#### **2 Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Cities Group Holdings Limited (the Company) for the year ended 31 December 2021 were authorised for issue by the board of directors and the balance sheet was signed on the board's behalf by AJW Donnan. Cities Group Holdings Limited is incorporated and domiciled in England and Wales.

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of CRH plc which prepares consolidated accounts which are publicly available and in which the results of the Company are consolidated.

The results of Cities Group Holdings Limited are included in the consolidated financial statements of CRH plc which are available from the Company Secretary, 42 Fitzwilliam Square, Dublin, D02 R279, Ireland.

The principal accounting policies adopted by the Company are set out in note 3.

#### **3 Accounting policies**

##### **Basis of preparation**

These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and in accordance with applicable accounting standards. The financial statements are prepared on the historical cost basis.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000).

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Accounting policies (continued)

##### Going concern

The Directors have considered going concern in preparing these financial statements. The Company participates in a Group zero balancing cash pool arrangement. Each company participating in the cash pooling arrangement has cash automatically swept to/from its account on a daily basis so that the balance sheet reverts to zero at the end of each day.

Management continue to review the market and will take all necessary steps to ensure the business' long-term success. The Company's business activities, together with principal risks and uncertainties likely to affect its future performance are described in the Strategic Report. The Company's forecast and projections taking into account possible changes in performance, show the Company is reliant on adequate financial resources being made available to enable the Company to continue for the foreseeable future. The Company has received confirmation of ongoing support from CRH plc for a period of at least 12 months from the date of the approval of these financial statements. Forward looking plans have been prepared for CRH plc to reflect severe but plausible downside scenarios. Even considering plausible downside scenarios there are sufficient funds to allow the Company to continue in operational existence for the foreseeable future.

After making enquiries and having received the confirmation of ongoing support from CRH plc for the next 12 months from the date of approval of these financial statements, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

##### Summary of disclosure exemptions

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements under s400 of the Companies Act, because it is included in the group financial statements of CRH plc.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard including:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1 and (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(f) (ii), 130(f) (iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share Based Payments;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases; and
- the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Where required, equivalent disclosures are given in the group accounts of CRH plc. The group accounts of CRH plc are available to the public and can be obtained as set out in note 14.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Accounting policies (continued)

##### Changes in accounting policy

##### New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2021 and did not have a material effect on the financial statements:

- Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9;
- Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2;
- Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities;
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;
- IFRS 17, 'Insurance contracts';
- Amendments to FRS 104 - Going concern; and
- Amendment to FRS 101 Reduced disclosure framework on the effective date of IFRS 17.

##### Investments

Investments in subsidiaries are measured at cost less accumulated impairment. The carrying values are reviewed for impairment whenever events or changes in circumstances indicate the carrying values may not be recoverable. Other investments are carried at cost less any impairment.

##### Financial assets

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

The value of intercompany debtors has been assessed through the underlying cash flows in respect of trading businesses, and for amounts due from holding companies by looking at the net asset position of the entity. Consideration has also been made as to any letters of support in place for the entities the amounts are due from.

##### Cash and cash equivalents

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

##### Financial liabilities

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Accounting policies (continued)

##### Foreign currency translation

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

##### Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Accounting policies (continued)

##### **Taxation - current and deferred**

Current tax represents the expected tax payable (or recoverable) on the taxable profit for the year using tax rates enacted for the period. Any interest or penalties arising are included within current tax. Where items are accounted for outside of profit or loss, the related income tax is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are not subject to discounting. Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which the temporary differences can be utilised. The carrying amounts of deferred tax assets are subject to review at each balance sheet date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

The determination of the Company's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Company is subject to tax audits which can involve complex issues that could require extended periods for resolution. Although management believes that the estimates included in the Financial Statements and its tax return positions are reasonable, no assurance can be given that the final outcome of these matters will not be different than that which is reflected in the Company's historical income tax provisions and accruals. Any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made.

##### **Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

##### **Interest-bearing loans and borrowings**

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology.

#### 4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors believe that the following accounting policies are critical due to the degree of estimation required and / or the potential material impact they may have on the Company's financial position and performance.

The following are areas of judgement:

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 4 Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Impairment of investment in subsidiaries

The impairment testing process requires management to make significant judgements and estimates regarding the future cash flows expected to be generated. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. Other key estimates include growth rates and assumptions around cost management. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Management periodically evaluates and updates the estimates based on the conditions which influence these variables. The assumptions and conditions for determining impairments reflect management's best assumptions and estimates, but these items involve inherent uncertainties described above, many of which are not under management's control.

The Company's largest asset base is investments in subsidiaries. At each balance sheet date, the Directors review the carrying amounts of investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Further details on investments in subsidiaries are disclosed in note 9.

The following are areas of estimation uncertainty:

Estimation uncertainty considerations for impairment are included in the judgements section above.

#### 5 Interest receivable and similar income

	2021 £ 000	2020 £ 000
Interest income on bank deposits	<u>-</u>	<u>1</u>

#### 6 Information regarding employees and Directors

All Directors were employed and paid on behalf of the Company by a fellow group undertaking. The remuneration of the Directors is disclosed in the financial statements of that fellow group undertaking, which has made no recharge to the Company in respect of these payments. The services provided to this Company are incidental to their services provided to other fellow group undertakings and it is not practical to split their services or remuneration between the group undertakings.

The Company had no employees during the year (2020: nil).

#### 7 Auditors' remuneration

Auditor's remuneration of £3,500 (2020: £5,000) for the audit of the financial statements is borne by CRH (UK) Limited, the immediate parent company. Non-audit services have not been provided during the current and prior year.



## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 8 Tax on profit/(loss)

Tax charged in the profit and loss account

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
UK corporation tax	<u>-</u>	<u>-</u>

The differences between the total tax for the year and the amount calculated by applying the standard rate of UK corporation tax of 19% (2020: 19%) to the profit before tax are as follows:

	2021 £ 000	2020 £ 000
Profit/(loss) before tax	<u>518,755</u>	<u>(318,754)</u>
Corporation tax at standard rate	98,563	(60,563)
Income not taxable	(38,000)	-
Expenses not deductible	<u>(60,563)</u>	<u>60,563</u>
Total tax charge	<u>-</u>	<u>-</u>

Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017, resulting in a current tax rate for the year of 19%. On 3 March 2021, the Chancellor of the Exchequer announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of Corporation Tax for all non-ring fence profits to 25% for the financial year 2023. This change was substantively enacted on 24 May 2021. On 23 September 2022, the Chancellor of the Exchequer announced that the planned tax rate change to 25% would no longer be implemented and that the main rate would remain at 19%.

Group relief claimed from other CRH UK Group companies is paid for at the prevailing rate of corporation tax for the year of 19%.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 9 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2021	<u>1,787,594</u>
At 31 December 2021	<u>1,787,594</u>
<b>Provision</b>	
At 1 January 2021	318,755
Impairment reversal	<u>(318,755)</u>
At 31 December 2021	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2021	<u><u>1,787,594</u></u>
At 31 December 2020	<u><u>1,468,839</u></u>

In 2020, an impairment was processed against the investment held by the Company in Tarmac Holdings Limited (THL). This was due to an impairment being recognised in THL which negatively impacted the net assets of THL resulting in an impairment being recognised in the Company against its investment in THL.

In 2021, management assessed whether the prior year impairment in THL could be reversed using updated cashflow projections from financial budgets and forecasts approved by senior management, and have concluded the impairment should be reversed, based on the impairment reversals in both THL. The Company has therefore reversed the impairment charge recognised in 2020 against its investment in THL, worth £318,754,717.

Dividends were received from subsidiaries during the year of £200.0 million (2020: £nil).

Details of all the Company's subsidiaries and joint ventures, including those owned both directly and indirectly, are disclosed in note 16.

#### 10 Debtors

	<b>31 December 2021 £ 000</b>	<b>31 December 2020 £ 000</b>
Amounts due from group undertakings	<u>601</u>	<u>601</u>

Amounts due from group undertakings are unsecured and accrue interest at 0.22% with no fixed repayment date. It is not expected all these amounts will be settled within 12 months of the balance sheet date.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 11 Called up share capital

##### Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1,685,000,001</u>	<u>1,685,000,001</u>

On 24 November 2021 the share capital of the Company was reduced from £1,685,000,001 to £1 by way of solvency statement procedure and application of funds to the profit and loss account of £1,685,000,000.

#### 12 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

Details of all movements in reserves are shown in the Statement of Changes in Equity on page 16.

#### 13 Related party transactions

Under Financial Reporting Standard 101, the Company is exempt from the requirement to disclose transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of CRH plc and its results are included in the consolidated financial statements of CRH plc.

#### 14 Parent and ultimate parent undertaking

The Company's immediate parent is CRH (UK) Limited.

The ultimate parent and controlling party is CRH plc.

##### Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is CRH plc, incorporated in Ireland.

The address of CRH plc is:

42 Fitzwilliam Square,  
Dublin,  
D02 R279,  
Ireland

Copies of the financial statements of the ultimate parent company are available from the Company Secretary at the above address.

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 15 Post balance sheet events

The Directors have considered all post-year end transactions, information received and events, up to the date these accounts are signed, for anything that may be either an adjusting or non-adjusting post balance sheet event. There was nothing identified requiring adjustment to, or disclosure in the current year financial statements.

#### 16 Related undertakings

In accordance with Section 409 Companies Act 2006 and Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and Schedule 37 of The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, the Company's related undertakings are shown below.

All companies listed below are owned indirectly by the Company unless otherwise indicated. All companies operate principally in their country of incorporation. Unless otherwise indicated the Company's percentage holdings in its related undertakings was the same at 31 December 2020.

The registered office address is Ground Floor, T3 Trinity Park, Bickenhill Lane, Birmingham, B37 7ES, unless otherwise indicated. The country of incorporation is United Kingdom unless otherwise indicated.

\*indicates directly owned by Cities Group Holdings Limited

Investments	Registered office	2021 Holding %	2020 Holding %
Tarmac Holdings Limited*		100	100
Tarmac Trading Limited		100	100
Tarmac Cement and Lime Limited		100	100
Tarmac Aggregates Limited		100	100
Tarmac Building Products Limited	I10 Railway Drive, Wolverhampton, WV1 1LH	100	100
Aberthaw Cement Limited		100	100
Aggregate Direct Limited		100	100
Anymix Limited		100	100
Associated Portland Cement Manufacturers (1978) Limited (The)		100	100
Alun Griffiths (Contractors) Limited	Waterways House Merthyr Road, Llanfoist, Abergavenny, Monmouthshire, United Kingdom, NP7 9PE	100	100
Purple Alpha Limited	Waterways House Merthyr Road, Llanfoist, Abergavenny, Monmouthshire, United Kingdom, NP7 9PE	100	100
Wales and Border Counties Plant Hire Limited	Waterways House Merthyr Road, Llanfoist, Abergavenny, Monmouthshire, United Kingdom, NP7 9PE	100	100
Ball Mill Sand and Gravel Company Limited		100	100
BDP Surfacing Limited		100	100
Beasley Coated Stone Limited		100	100
Bettamix Limited		100	100
Blue Circle Dartford Estates Limited		100	100

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Blue Circle Developments Limited		100	100
Blue Circle Investments Limited		100	100
Blue Circle Properties Limited		100	100
Blue Circle Residential Estates Limited		100	100
Blue Circle Share Shop Limited		100	100
Bodfari (Quarries) Limited		100	100
Bodfari Quarry Products Limited		100	100
Bothwell Park Brick Company Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	25	25
Bowne & Shaw Limited		100	100
Brady Industries Limited		100	100
Briggs Amasco Curtainwall Limited		100	100
Bristol Aggregates Recycling Limited		100	100
British Portland Cement Association Limited (The)		100	100
Busy Bees Limited		100	100
Buxton Lime and Cement Limited		100	100
Buxton Lime Industries Limited		100	100
Cambrian Stone Limited		100	100
Cannock Recycling Limited		100	100
Cempak Limited		100	100
CMS-Pozament Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Compass Aggregates Limited		100	100
Craven Street Developments Limited		100	100
Croxden Quarries Limited		100	100
Dow Mac Limited		100	100
E. G. Coleman (Weymouth) Limited		100	100
East Coast Slag Products Limited		100	100
Ennemix Holdings Limited		99.9	99.9
Ennemix plc		99.9	99.9
Environmental Aggregates Limited		100	100
Francis Parker Land Limited		100	100
Francis Parker Limited		100	100
Francis Parker Properties Limited		100	100
Greater London Asphalt Limited		100	100
Harlow Asphalt Limited		100	100
Hilton Property Holdings Limited		100	100
Holme Hall Quarries Limited		100	100

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Hopkins Concrete Limited		100	100
Jee's Hartshill Limited		100	100
Kings & Company Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Lignacite (Trade Mark) Limited		83.3	83.3
Lime-Sand Mortar (Southern) Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
LTM (City of London) Limited		100	100
LTM (City of Westminster) Limited		100	100
LTM (Southern) Limited		100	100
LTM (Western) Limited		100	100
LTM Crewing Services Limited		100	100
Medway Valley Park Limited		100	100
Minimix Limited		100	100
Moreys (Verwood) Limited		100	100
Nash Rocks Stone and Lime Company Limited		100	100
National Road Planing Limited		100	100
New London Road Developments Limited		100	100
North Notts Gravel Company Limited		100	100
Panvers Limited		100	100
Plasterboard Direct Limited		100	100
Pozament Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Providethat Limited		100	100
R. H. Roadstone Limited		100	100
R.R. Land Investments Limited		100	100
Raisby Quarries Limited		100	100
Redland Limited		100	100
Redland Minerals Limited		100	100
Redland Properties Limited		100	100
Redland Property Holdings Limited		100	100
Redland Readymix Holdings Limited		100	100
Richard Abel & Sons Limited		100	100
Ritemix Concrete Limited		100	100
Roseland Aggregates Limited		100	100
S. G. Baldwin Limited		100	100
Sapphire Energy Recovery Limited		100	100
ScotAsh Limited		100	100

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Scunthorpe Slag Limited		100	100
Severn Valley Brick Company Limited		100	100
Site Mixed Concrete Limited		100	100
Situsec Contractors Limited		100	100
Solent Aggregates Limited		100	100
Steetley Construction Materials Limited		100	100
Steetley Quarry Products Limited		100	100
Tarmac (BA) Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Tarmac (South Western) Limited		100	100
Tarmac (SQ) Limited		100	100
Tarmac Asphalt Limited		100	100
Tarmac Bricks & Tiles Limited		100	100
Tarmac Brookglade Properties Public Limited Company		100	100
Tarmac Building Materials Limited		100	100
Tarmac Burford (Southern) Limited		100	100
Tarmac Caledonian Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Tarmac Central Limited		100	100
Tarmac Concrete Products Limited		100	100
Tarmac DC Pension Trustee Limited		100	100
Tarmac Directors (UK) Limited		100	100
Tarmac Farrans JV Limited	99 Kingsway Dunmurry, Belfast, United Kingdom, BT17 9NU	50	50
Tarmac Fleming (Quarries) Limited	One Spencer Dock, North Wall Quay, Dublin 1, D01 X9R7, Ireland	100	100
TGCL (OLDCO) Limited		100	100
Tarmac Group Limited		100	100
Tarmac Holdings (THL) Limited		100	100
Tarmac Industrial Minerals Holdings Limited		100	100
Tarmac Industrial Minerals Limited		100	100
Tarmac Industrial Products Limited		100	100
Tarmac Leasing Limited (in liquidation)		100	100
Tarmac Limited		100	100
Tarmac Marine (Guernsey) Limited	22 Havilland Street, St Peter Port, GY1 2QB, Guernsey	100	100
Tarmac Marine Limited		100	100
Tarmac Minerals Limited		100	100
Tarmac Minimix Limited		100	100
Tarmac Nominees Limited		100	100

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Tarmac Nominees Two Limited		100	100
Tarmac Northern Limited		100	100
Tarmac Properties (JMA) Limited		100	100
Tarmac Properties Home Counties Limited		100	100
Tarmac Properties Limited		100	100
Tarmac Provincial Properties Limited		100	100
Tarmac Quarry Products (Ireland) Limited	One Spencer Dock, North Wall Quay, Dublin 1, D01 X9R7, Ireland	100	100
Tarmac Recycling Services Limited		100	100
Tarmac Roadstone Holdings Limited		100	100
Tarmac Roadstone Limited		100	100
Tarmac Roadstone Nominees Limited		100	100
Tarmac Secretaries (UK) Limited		100	100
Tarmac Services Limited		100	100
Tarmac Structural Concrete Limited		100	100
Tarmac Topblock Limited		100	100
Tarmac Topflight Limited		100	100
Tarmac Toplite Limited		100	100
Tarmac Topmix Limited		100	100
Tarmac Trustees Limited		100	100
Tarmac UK Holdings Limited		100	100
Tarmac UK Limited		100	100
Tarmac Western Limited		100	100
TCR Aggregates Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Teesside Slag Limited		100	100
The Northumberland Whinstone Company Limited		100	100
Thermodeck Limited		100	100
Tilcon (North) Limited		100	100
Tilcon Holdings Limited		100	100
Tilcon Scotland Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100	100
Tilcon Services Limited		100	100
Tilling Construction Services Limited		100	100
Tipton Group Limited		100	100
Tipton Holdings Limited		100	100
Topmix (Mortars) Limited		100	100
Topmix Limited		100	100



## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Trevians Limited		100	100
United Marine Aggregates Limited		100	100
Val de Travers Asphalte Limited		100	100
Vicourt Limited		100	100
W.J. Hall & Sons (Gorleston) Limited		100	100
Welsh Aggregates Limited		100	100
Winmix Limited		100	100
J.B. Riney & Co. Limited	455 Wick Lane, London, United Kingdom, E3 2TB	100	100
Argot Properties Limited		50	50
Barker & Bence Limited		50	50
Broadhill Developments Limited		50	50
C. & H. Quick-Mix Limited	9-11 Drayton High Road, Drayton, Norwich, Norfolk, NR8 6AH, England	50	50
Foxholes Business Park Limited		50	50
GRS Rail Services Limited		62.5	62.5
GRS Roadstone Group Limited	Unit 10 Goldsmith Way, Eliot Business, Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
Island Barn Aggregates Limited		50	50
Isle of Wight Aggregates Limited		50	50
LAL-GRS Limited		75	75
Linear Quarry Products Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	50	50
Link Way Management Company Limited		51	51
Mersey Sand Suppliers Limited		50	50
Minevote Public Limited Company	7a Howick Place, London, SW1P 1DZ, England	50	50
North Tyne Roadstone Limited		50	50
Norwest Sand & Ballast Co. (1985)		50	50
Norwest Sand & Ballast Company Limited		50	50
Oval (302) Limited		50	50
Peel Lamp Properties Limited	Peel Dome Intu Trafford Centre, Traffordcity, Manchester, M17 8PL, England	50	50
Prestige Sports Surfaces Limited (in liquidation)		50	50
Schofield Centre Limited		50	50
Shepperton Aggregates Limited (in liquidation)		50	50
South Kensington Developments Limited		50	50
Tarmac Benchmark Developments Limited		100	100
Tarmac Clayform Limited	7a Howick Place, London, SW1P 1DZ, England	50	50

## Cities Group Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Related undertakings (continued)

Tarmac Guildford Limited		50	50
Tendley Quarries Limited	Brigham, Cockermouth, Cumbria, CA13 0SE, England	50	50
GRS (Roadstone) Limited	10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
GRS (Roadstone) Trustees Limited	10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
GRS Bagging Holdings Limited	10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
GRS Building Products Limited	10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
GRS Roadstone Holdings Limited	10 Goldsmith Way, Eliot Business Park, Nuneaton, Warwickshire, CV10 7RJ	25	25
White Lion Walk Limited		50	50