

Registered number SC063714

Ibstock Scottish Brick Limited

Annual Report and Financial Statements
for the year ended 31 December 2018



Ibstock Scottish Brick Limited

Company information

Directors AJW Donnan
MJ Choules (resigned 30 September 2018)
KE Smart (appointed 30 September 2018)

Company Secretary Tarmac Secretaries (UK) Limited

Registered number SC063714

Registered office Oakbank
Mid Calder
Livingston
West Lothian
Scotland
EH53 0JS

Auditor Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
Northern Ireland
BT2 7DT

Ibstock Scottish Brick Limited

Contents

Strategic report	1
Directors' report	2-3
Directors' responsibilities statement	4
Independent auditor's report	5-7
Profit and loss account	8
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11-15

Ibstock Scottish Brick Limited

Strategic report

for the year ended 31 December 2018

Introduction

The Directors present their Strategic report for the year ended 31 December 2018.

Business review

Apart from settling transactions in relation to the sale of a property in Tannochside, Scotland, which was executed in 2015, the Company did not trade during the year. The Company's result for the year after tax amounted to a profit of £43,166 (2017: £85,426). Net assets amounted to £1,653,287 at 31 December 2018 (2017: £1,610,121).

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

Key performance indicators

The Company has identified the following as the key measure of performance:

	2018	2017
	£	£
Profit after tax	43,166	85,426

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.

Financial risk management objectives and policies

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

Credit risk

Creditor 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.

This report was approved by the board on 27 September 2019 and signed on its behalf.



AJW Donnan
Director

Ibstock Scottish Brick Limited

Directors' report

for the year ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018. The Company is private and limited by shares, incorporated in Scotland and operating under the Companies Act 2006.

Results and dividends

The profit on ordinary activities for the year after taxation amounted to £43,166 (2017: £85,426).

No dividends were paid out during the year (2017: £nil).

Directors

The Directors who served during the year and up to the date of approval of the financial statements are listed in the Company information section.

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).

The Directors of the Company are covered by the CRH group Directors and Officers Liability insurance. The insurance provides indemnity in respect of claims made against the Directors and Officers and/or employees of CRH for any actual alleged error, misstatement, omission, wrongful act, breach of duty or misleading statement for which cover applies.

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.

Post balance sheet events

There has been no significant event after the reporting date and up to the date when the Board of Directors approved the financial statements.

Going concern

The Company is part of the CRH plc group. CRH plc are committed to supporting the Company. The Company and Group operate well within available banking facilities. As a consequence the Directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries 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 accounts.

Political donations

The Company made no donations to political parties during the year ended 31 December 2018 (2017: £nil).

Ibstock Scottish Brick Limited

Directors' report (continued)

for the year ended 31 December 2018


Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report and of which the auditors are unaware. Having made enquiries of fellow directors and the Company auditors, each director have taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 September 2019 and signed on its behalf.


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AJW Donnan
Director

Ibstock Scottish Brick Limited

Directors' responsibilities statement

for the year ended 31 December 2018

The Directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 (United Kingdom Generally Accepted Accounting Practice and applicable law). Under Company law the Directors must not approve the financial statements unless 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.

Ibstock Scottish Brick Limited

Independent auditor's report to the members of Ibstock Scottish Brick Limited

Opinion

We have audited the financial statements of Ibstock Scottish Brick Limited for the year ended 31 December 2018 which comprise of the Profit and Loss account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Ibstock Scottish Brick Limited

Independent auditor's report to the members of Ibstock Scottish Brick Limited (continued)

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Ibstock Scottish Brick Limited

Independent auditor's report to the members of Ibstock Scottish Brick Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Neil Warnock (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: *30th September 2019*

Ibstock Scottish Brick Limited

Profit and loss account

for the year ended 31 December 2018

	Note	2018 £	2017 £
Other operating income	3	53,292	85,426
Profit on ordinary activities before taxation		53,292	85,426
Taxation on ordinary activities	5	(10,126)	-
Profit on ordinary activities after taxation		43,166	85,426

All amounts relate to continuing operations.

Statement of comprehensive income

for the year ended 31 December 2018

There was no other comprehensive income or loss during the years ended 31 December 2018 and 31 December 2017 other than the profit attributable to the members of the Company of £43,166 (2017: £85,426).

Ibstock Scottish Brick Limited

Balance sheet

as at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	6	<u>1,663,413</u>	<u>1,610,121</u>
Current liabilities			
Creditors: amounts falling due within one year	7	<u>(10,126)</u>	<u>-</u>
Net assets		<u><u>1,653,287</u></u>	<u><u>1,610,121</u></u>
Capital and reserves			
Called-up share capital	8	<u>1</u>	<u>1</u>
Profit and loss account	9	<u>1,653,286</u>	<u>1,610,120</u>
Shareholder's funds		<u><u>1,653,287</u></u>	<u><u>1,610,121</u></u>

The financial statements of Ibstock Scottish Brick Limited, registered number SC063714, were approved and authorised for issue by the board and were signed on 27 September 2019 on its behalf by:



AJW Donnan
Director

The notes on pages 11 to 15 form part of these financial statements.

Ibstock Scottish Brick Limited

Statement of changes in equity for the year ended 31 December 2018

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2017	1	1,524,694	1,524,695
Profit for the year	-	85,426	85,426
At 1 January 2018	1	1,610,120	1,610,121
Profit for the year	-	43,166	43,166
At 31 December 2018	1	1,653,286	1,653,287

Ibstock Scottish Brick Limited

Notes to the financial statements for the year ended 31 December 2018

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Ibstock Scottish Brick Limited (the Company) for the year ended 31 December 2018 were authorised for issue by the board of directors on 27 September 2019 and the balance sheet was signed on the board's behalf by AJW Donnan. Ibstock Scottish Brick Limited is incorporated and domiciled in Scotland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£).

The results of Ibstock Scottish Brick 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 principle accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation of financial statements and going concern

The accounting policies which follow set out those policies which apply in preparing the financial statements as at 31 December 2018.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

After making enquiries 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 accounts.

Adoption of new and revised Standards

In the current year, the following new standards or amendments became effective and required adoption by the Company:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

None of the above have resulted in any material changes in accounting policies and no adjustments were required to the amounts recognised in the Company's financial statements

Ibstock Scottish Brick Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. Accounting policies (continued)

Financial reporting standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirement of IFRS 7 Financial Instruments;
- b) the requirements of paragraph 91 - 99 of IFRS 13 Fair Value Measurement;
- c) the requirements of IAS 7 Statement of Cash Flows;
- d) the requirements of paragraph 10(d), 111 and 134 - 136 of IAS 1 Presentation of Financial Statements;
- e) the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- g) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the Group, provided the subsidiaries are wholly owned and
- h) the requirements of paragraphs 38A - 40D of IAS 1 Presentation of Financial Statements.

Financial assets

Short term debtors are measured at transaction price, less any impairment.

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.

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 income statement. 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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit and loss statement in those expense categories consistent with the function of the impaired asset. For assets 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, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the profit and loss statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Ibstock Scottish Brick Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

2. 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.

3. Other operating income

The operating profit is stated after recognising

	2018	2017
	£	£
Profit resulting from a sale of property	<u>53,292</u>	<u>85,426</u>

Auditor remuneration in the current and prior year was borne by CRH (UK) Limited, a wholly owned company within the CRH plc group.

4. Directors' remuneration

During the year, no Director received any emoluments from the Company (2017: £nil).

Ibstock Scottish Brick Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

5. Taxation on ordinary activities

	2018 £	2017 £
Current tax:		
Current tax on profits for the year	10,126	-
Total current tax	10,126	-

Factors affecting the current tax credit

The corporation tax is assessed at 19.00% (2017: 19.25%) of the taxable profit for the year. The tax charge for the year is reconciled to the Profit and loss account as follows:

	2018 £	2017 £
Profit on ordinary activities before taxation	53,292	85,426
Tax on profit at standard UK tax rate of 19.00% (2017: 19.25%)	10,126	16,442
Effects of:		
Non-taxable income	-	(16,442)
Total tax charge for the year	10,126	-

Factors that may affect future tax charges

On 26 October 2015, Finance No.2 Bill 2015 enacted reductions in the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. The latter reduction was subsequently reduced further from 18% to 17% upon enactment of the Finance Bill 2016 on 15 September 2016.

6. Debtors: amounts falling due within one year

	2018 £	2017 £
Amounts due from group undertakings	1,663,413	1,610,121

Amounts due from group undertakings within one year are repayable on demand, non-interest bearing and unsecured.

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts due to group undertakings – group relief	10,126	-

Amounts due to group undertakings within one year are repayable on demand and non-interest bearing.

8. Called-up share capital

	2018 £	2017 £
<i>Authorised, allotted, called up and fully paid:</i>		
1 Ordinary share of £1	1	1

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

Ibstock Scottish Brick Limited

Notes to the financial statements (continued)

For the year ended 31 December 2018

9. Retained earnings

The 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 10.

10. 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.

11. Parent undertaking and controlling parties

The immediate parent company is CRH (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent company and controlling party is CRH plc, a company incorporated in the Republic of Ireland. CRH plc is the largest and smallest group in which the results of the Company are consolidated and its accounts are available from the company's registered office at 42 Fitzwilliam Square, Dublin D02 R279, Ireland.