PREMIER CEMENT LIMITED

CORPORATE INFORMATION

DIRECTORS

J Dalton
E Sweeney
A Donnan
G Malone
J Wilson

SECRETARY

Ms. D. Geddis

COMPANY REGISTERED NUMBER

NI020766

AUDITORS

Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2

BANKERS

Danske Bank
London Branch
75 King William Street
London EC4N7DT

REGISTERED OFFICE

c/o 99 Kingsway,
Dunmurry,
Belfast.
BT 17 9NU

PREMIER CEMENT LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2018.

Principal Activities
Premier Cement Ltd is a company incorporated and domiciled in Northern Ireland. The principal activity of the company is the importation and sale of cement in Northern Ireland and the UK.

Business Review
The Company saw its sales volumes continue to increase with its seventh full year of sales from the Swansea depot and its fifth full year of sales from the Dudman Group Terminals, acquired in 2013, comprising 5 cement import depots located in Liverpool, Montrose, Howden, Lowestoft and Shoreham. During 2017 we began despatching from an additional cement import depot in Salford with 2018 being the first full year of sales from Salford.
There will be a continued major effort to increase market share in 2019.
The profit on ordinary activities before taxation for the year is £8,696,584 (2017: Loss of £665,316).

It is estimated that the UK economy grew by approximately 1.4% in 2018, however construction and manufacturing industries continued to struggle; as a result gross margins decreased by 2.35%. On June 23rd, 2016, the United Kingdom voted to leave the European Union and the GBP/EUR exchange rate has remained volatile since that date. On March 29th, 2017, the UK notified the European Council of its intention to leave the European Union. While it is unclear how negotiations between the UK and EU will impact UK importation businesses, it is the intention of the directors to continue to manage the foreign exchange risk, monitor closely any potential impacts on the business and ensure the company holds itself on good financial position to take advantage of opportunities as and when they occur.

The company's key financial and other performance indicators during the year were as follows:

	2018	2017	% change
Turnover - £'000	31,491	29,110	8%
Profit on ordinary activities before Taxation - £'000	8,697	(665)	-1408%
Net assets - £'000	30,474	21,569	41%
Profit on ordinary activities before tax as a % of Turnover	27.6%	-2.3%	-1308%

Principal Risks and Uncertainties
The Company is required to give a description of the principal risks and uncertainties that could materially and adversely affect its future operating results and financial position; these principal risks and uncertainties are as follows:

Market conditions
The company may suffer from decreased customer demand as a consequence of reduced construction activity.

Price risk

The company is exposed to commodity price risk as a result of its operations. The costs of managing exposure to commodity price risk exceed any potential benefits.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is continually monitored.

Economy
Current economic conditions have negatively impacted and may continue to impact on the operations and financial condition of the company.

Environmental, employment and pensions and other E.U. Regulations
Costs of compliance with increasing regulation in the areas of environmental, health and safety, insurances, employment and pensions, accounting and finance adversely affect the company's financial results, through ongoing investment in plant, human resources and administration overhead.

By Order of the Board
Dated: 29/3/19

Gabriel Malone
Director

PREMIER CEMENT LIMITED

DIRECTORS' REPORT

Company Registered No. NI020766
The directors present their annual report for the year ended 31 December 2018.

Directors of the company
The current directors are shown on page 1 and have served throughout the year ended 31 December 2018.

Dividends
The directors do not recommend payment of a dividend (2017:Nil).

Future Developments
The Company expects to grow the business with the development of the customer base.

Financial Instruments
The Company uses financial instruments in its business: cash and cash equivalents are used to finance the Company's investments, intercompany receivables arise directly from operations, and derivatives, principally forward exchange contracts are used to manage currency exposures. The Company does not trade in any other financial instruments nor does it enter into leveraged derivative transactions. The Company is not engaged in interest bearing loans or borrowings external to CRH plc, other than bank overdrafts, which are guaranteed by CRH plc. There were 70 forward purchase exchange contracts in place at 31st December 2018 (2017: 36).

Research and Development
All Research and Development activities are carried out by another group company.

Events since the balance sheet date
There have been no significant events since the year end.

Employee matters
The well being of the Company's employees is safeguarded through the strict adherence to health and safety standards. This is the responsibility of all line managers and is reviewed continuously by senior management and at Board level. Dedicated safety officers operate the plant to ensure Company health and safety policies are fully adhered to, and to ensure on-going training in health and safety risk assessment and prevention. Safety best practice is shared on a group wide basis to improve performance. Product safety is overseen by a technical marketing group who ensure compliance with, and adherence to standards set by industry associations and other regulatory bodies. There were no reportable accidents in 2018 (2017: nil) and there were no fatalities (2017: nil).

Financial Statements
The Profit & Loss Account, Balance Sheet and related notes are set out on pages 8 to 20.
Profit on ordinary activities before taxation for the year ended 31st December 2018 amounted to £8,696,584 compared with a loss of £665,316 for 2017.
After a tax loss of £259,951 (2017: tax loss £263,031), the profit on ordinary activities after taxation for the year ended 31st December 2018 was £8,956,535 (2017: loss of £402,285). Profit and loss reserves for year ended 31st December 2018 amounted to £10,510,756 (2017: £1,554,221).

Books of Account
The Directors are responsible for ensuring that proper accounting records, as outlined in the Companies Act 2006, are kept by the Company. The Directors have appointed appropriate accounting personnel in order to ensure that these requirements are complied with. These books and accounting records are maintained at the Company's registered office at c/o 99 Kingsway, Dunmurry, Belfast, BT17 9NU, and also at Platin, Drogheda, Co. Louth.

Political and Charitable Donations
The Company made no political donations during the year (2017: £Nil).

PREMIER CEMENT LIMITED

DIRECTORS' REPORT - (continued)

Going Concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments, and its exposures to price and credit risk are described in the Strategic Report on page 2.

Having considered the company's forecasts and current trading, the directors believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

Auditors

A resolution to reappoint Ernst & Young, Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors each of the directors confirms that:

* To the best of each director's knowledge and belief, there is no information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
* each director has taken all steps a director might reasonably be expected to have taken to be aware of relevent audit information and to establish that the Company's auditors are aware of that information.

By Order of the Board
Dated: 29/3/19

Gabriel Malone
Director

PREMIER CEMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Including Financial Reporting standard 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 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 judgments and 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.
- 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.

Auditors

The auditor, Ernst & Young, chartered accountants, is willing to continue in office in accordance with Section 485 of the Companies Act 2006

By Order of the Board
Dated: 29/3/19

Gabriel Malone
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER CEMENT LIMITED

Opinion

We have audited the financial statements of Premier Cement Limited for the year ended 31 December 2018 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and the related notes 1 to 21, 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.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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

Ruth Logan (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin
Date 29th of March 2019

PREMIER CEMENT LIMITED

INCOME STATEMENT

YEAR ENDED 31ST DECEMBER 2018

	Notes	Year Ended 31st Dec 2018	Year Ended 31st Dec 2017
		£	£
Turnover - Continuing Operations	3	31,491,068	29,110,207
Cost of Sales		(27,161,744)	(24,425,240)
Gross Profit		4,329,324	4,684,967
Distribution Costs		(3,118,628)	(2,937,596)
Administration Expenses		(1,915,939)	(1,756,095)
OPERATING (LOSS) - CONTINUING OPERATIONS	4	(705,244)	(8,724)
Interest payable and similar costs	15	(598,172)	(656,592)
Income from shares in Group Undertakings	5	10,000,000	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,696,584	(665,316)
Tax	7	259,951	263,031
Net Profit/(Loss) after taxation		8,956,535	(402,285)

PREMIER CEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31ST DECEMBER 2018

	Notes	**Year Ended 31st Dec 2018**	**Year Ended 31st Dec 2017**
		£	£
Profit/(Loss) for the financial year		8,956,535	(402,285)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(expense) for the year.		8,956,535	(402,285)

PREMIER CEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31ST DECEMBER 2018

	Share Capital £	Retained earnings £	Derivative Financial Instrument Reserve £	Total Equity £
At 1 January 2017	**20,000,002**	**1,956,506**	**-**	**21,956,508**
Loss for the financial Year	-	(402,285)	-	(402,285)
Other comprehensive income	-	-	-	-
Financial Instruments	-	-	14,791	14,791
Total Comprehensive income for the year	-	(402,285)	14,791	(387,494)
At 31 December 2017	**20,000,002**	**1,554,221**	**14,791**	**21,569,014**
Profit for the financial year	-	8,956,535	-	8,956,535
Other comprehensive income	-	-	-	-
Financial Instruments	-	-	(51,169)	(51,169)
Total comprehensive expense for the year	-	8,956,535	(51,169)	8,905,366
At 31 December 2018	20,000,002	10,510,756	(36,378)	30,474,380

Share Capital
Share Capital represents the nominal value of shares that have been issued.

Retained Earnings
Retained Earnings include all current and prior period retained profits and losses.

PREMIER CEMENT LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 2018

	Notes	As At 31st Dec 2018	As At 31st Dec 2017
		£	£
Fixed Assets			
Intangible Fixed Assets	9	11,966,397	11,966,397
Tangible Fixed Assets	8	5,179,225	5,784,435
Investments	10	22,580,914	22,580,914
		39,726,536	40,331,746
Current Assets			
Stocks	11	1,535,201	1,707,565
Debtors - amounts falling due within one year	12	5,791,401	4,767,685
Cash at Bank and in hand		1,280,337	490,748
		8,606,939	6,965,998
Creditors - Amounts falling due within one year	13	(17,590,859)	(25,415,623)
NET CURRENT LIABILITIES		(8,983,920)	(18,449,625)
TOTAL ASSETS LESS CURRENT LIABILITIES		30,742,617	21,882,121
Provisions for liabilities	20	(268,235)	(313,107)
NET ASSETS		30,474,381	21,569,014
Capital and Reserves			
Called Up Share Capital	16	20,000,002	20,000,002
Derivative Financial instrument reserve		(36,378)	14,791.00
Profit & Loss Account		10,510,757	1,554,221
Shareholders' Funds		30,474,381	21,569,014

On behalf of the Board
Dated 29/3/19

Gabriel Malone
Director

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2018

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

The financial statements of Premier Cement Limited are prepared for the year ended 31st December 2018 were authorised for issue by the board of directors on 27 / 3 / 2019 and the balance sheet was signed on the board's behalf by Gabriel Malone.
Premier Cement Limited is incorporated and domiciled in Northern Ireland. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards. The Company has used a true and fair view override in respect of the non amortisation of goodwill.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound, except where otherwise stated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of CRH Plc.

The principal accounting policies adopted by the company are set out in note 2.

2. Accounting Policies

2.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The company has taken advantage of the following disclosure exemptions under FRS101

a) 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;
    (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
    (iii) paragraph 118(e) of IAS 38 Intangible Assets;
b) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
c) the requirements of paragraph 17 and 18 of IAS 24 Related Party Disclosures;
d) 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 ; and
e) the requirements of IAS 7 Statement of Cash Flows

Another group company, Irish Cement Ltd, has agreed to provide financial support for the foreseeable future to assist the company in meeting its financial obligations. As a consequence of this support, and having considered the company's forecasts and current trading, the directors believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

2.2 Changes in accounting policies

(a) Standards effective 1 January 2018

New standards impacting the company that have been adopted in the annual financial statements to 31 December 2018 and give rise to changes in the Company's accounting policies are IFRS 9 Financial Instruments and IFRS 15 Revenue from contracts with customers. Neither standard had a material effect on the company's financial statements.

(b) Standards not yet effective

There are a number of standards issued by IASB that are effective in future accounting periods that the company has decided not to adopt early. The most significant of these is IFRS 16 Leases. Adoption of IFRS 16 will result in the company recognising right-of-use assets and lease liabilities for all contracts that are or contain a lease. The company will apply the modified retrospective approach from 1 January 2019. the company will apply the recognition exemption for both short-term leases and lease of low value assist. The company does not expect to avail of the practical expedient to not separate non-lease assets. The company does not expect to avail of the practical expedient to not separate non-lease components from lease components, nor does it intend to avail of the practical expedient allowing leases previously classified as operating lease and ending within 12 months of the date of transition to be accounted for as short-term leases. The impact is expected to be a decrease in cost of sales and operating costs as the Company currently recognises operating lease expenses in either cost of sales or operating costs. Depreciation and finance costs as currently reported will increase as under the new standard a right-of-use assets will be capitalised and depreciated over the term of the lease with an associated finance costs applied annually to the lease liability. At transition date the company will determine the minimum lease payments outstanding at that date and apply the appropriate discount rate to calculate the present value of the lease liability and the right-of-use asset to the recognise on the Balance Sheet.

2. Accounting policies (continued)

2.3 Judgements and key source of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Operating lease commitments

The Company has entered into commercial property leases as lessor on its investment property portfolio and as a lessee it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2.4 Significant accounting policies

(a) Revenue Recognition

The company recognises revenue in the amount of the price expected to be received for goods supplied at a point in time or over time as contractual performance obligations are fulfilled and control of goods passes to the customer. Revenue excludes trade discounts and value-added tax/sales tax.

The company manufactures and distributes building product. Contracts do not contain multiple performance obligations. Goods are often sold with discounts or rebates based on cumulative sales over a period. This variable consideration is only recognised when it is highly probably that it will not be subsequently reversed and is recognised using the most likely amount or expected value methods depending on the individual contract terms.

(b) Tangible fixed assets

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Land and buildings are recognised initially at cost and thereafter carried at fair value less depreciation and impairment charged subsequent to the date of the revaluation. Fair value is based on market-based evidence.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

	2018	**2017**
Buildings (Over 20-50 years)	7.14%	7.14%
Transport (Over 5 to 15 years)	20%	20%
Plant and Machinery (Over 5 to 15 years)	3.33%	3.33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 2018

2. Accounting policies (continued)

(c) Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, trade goods at purchased costs.

(e) Foreign Currencies

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

Transactions and balances

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.

(f) Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand.

(g) Trade and other Debtors

Trade debtors, which generally have 60 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(h) Income Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions :

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income.

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 2018

2. Accounting policies (continued)

(i) Intangible Assets

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interest, either at fair value or at the proportionate share of the acquiree's identifiable net assets, is determined on a transaction by transaction basis. Acquisition costs incurred are expensed and included in administrative expenses.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

(j) Derivative Financial Instruments

The Company uses forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(k) Impairment of Financial Assets account policy

The Company's financial assets are measured at amortised cost, the most significant of which are trade receivables and are subject to IFRS 9's new expected credit loss model. The Company's impairment methodology has been revised in line with the requirements of IFRS 9. The simplified approach to providing for expected credit losses has been applied to trade receivables which requires the use of a lifetime expected loss provision. As part of the IFRS 9 transition project the Company assessed its existing trade and other receivables for impairment, using reasonable and supportable information that is available without undue cost or effort, to determine the credit risk of the receivables at the date on which they were initially recognised and compared that to the credit risk as at 1 January 2019. This assessment has not resulted in a material adjustment to trade and other receivables.

(l) Financial Assets

The principal financial assets used by the company are trade receivables, cash and cash equivalents, intercompany borrowings [and investments in unquoted equity securities] Financial assets are carried at fair value on initial recognition followed by amortised cost net of impairments at subsequent reporting dates. The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and sum of the consideration received and receivable is recognised in profit or

(m) Financial Liabilities

The principal financial liabilities used by the company are trade creditors and intercompany borrowings. All financial liabilities are measured at reporting date at amortised cost using the effective interest rate method. The company derecognises financial liabilities when and only when the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(n) Pensions

The company participates in a multi employer defined benefit pension scheme operated by another group company Northstone Ltd.

Northstone Ltd account for the assets and liabilities of the scheme. Premier Cement Ltd accounts for the pension costs as a defined contribution scheme, contributions are charged to the P&L account as they become payable.

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31ST DECEMBER 2018

3. Turnover- Continuing operations

Turnover recognised in the income statement is analysed as follows

	2018	2017
	£	£
Cement Sales	31,491,068	29,110,207

The company operates in one principal area of activity, the distribution of cement.

4. Operating Profit - Continuing Operations

This is stated after charging	Year Ended 31st Dec 2018	Year Ended 31st Dec 2017
	£	£
Depreciation of Tangible Fixed Assets	619,649	502,339
Operating Lease -minimum payments		
Land and Buildings	323,906	319,414
Motor Vehicles	13,644	19,894

Auditor's remuneration

The audit fee is borne by a fellow group undertaking (2017: same).
There were no non audit fees (2017:Nil).

5. Dividend	2018	2017
Dividend Received from SCL	10,000,000	-

6. Staff Costs	Year Ended 31st Dec 2018	Year Ended 31st Dec 2017
	£	£
Wages & Salaries	504,384	496,236
Pension Costs	36,700	35,775
Social Insurance Costs	64,725	61,151
	605,809	593,163

The average monthly number of employees during the year was made up as follows:

	Number	Number
Selling, distribution and administration	9	9

Pensions and other post - employment benefits

During the year ended 31 December 2018, the Company participated in a funded group scheme - Northstone (NI) Limited Pension Scheme. Pension costs are assessed in accordance with the advice of a professionally qualified actuary.
The scheme closed to new entrants from 1st January 2009. Particulars of the most recent actuarial valuation for the scheme, as at 1st April 2015, are contained in the accounts of Northstone (NI) Limited.
It is not possible to identify the Company's share of the underlying assets and liabilities which relate to the employees of Premier Cement Limited. Accordingly, the Company treats the scheme as a defined contribution plan in accordance with IAS 19 requirements for multi-employer schemes.
During the year the Companycontributed £25,679 (2017: £25,616) to the scheme.

7. Taxation	Year Ended 31st Dec 2018	Year Ended 31st Dec 2017
Tax charged in the income statement		
UK corporation tax charge for the year	(194,265)	(125,945)
Adjustments in respect of previous periods	(20,814)	(14,257)
Group Relief	-	(140,206)
Total Current income Tax	(215,079)	(280,408)
Deferred tax:		
Origination and reversal of timing differences	(50,151)	49,973
Adjustments in respect of previous periods	-	20,712
Tax rate changes	5,279	(53,307)
Tax expense in the income statement	(259,951)	(263,030)

Factors affecting tax charge for the year:

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the United Kingdom. The differences are reconciled below:

Profit on ordinary activities before taxation	8,696,584	(665,316)
Standard rate of corporation tax in the UK	19.00%	19.25%
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK.	1,652,351	(128,073)
Effects of:		
Expenses not deductible for tax purposes	3,233	50,536
Tax rate changes	5,279	(53,307)
Adjustments in respect of previous periods	(20,814)	6,456
Other - Group Relief	-	(138,642)
Income not taxable	(1,900,000)	-
Current tax credit for the year	(259,951)	(263,030)

Circumstances affecting current and future tax charges

The UK Corporation Tax rate was reduced to 20% with effect from 1 April 2015, and further reductions to 19% and 17% have also now been enacted which take effect in April 2017 and April 2020 respectively. The composite rate for 2018 was 19.0%.

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2018

8. Tangible Assets

	Buildings	Plant & Machinery	Capital Work in Progress	Transport	Total
Cost or fair value:	£	£		£	£
At 1st January 2017	2,970,000	5,751,846	330,149	106,844	9,158,839
Additions	-	241,924	281,787	75,000	598,711
Transfers	-	-	(316,924)	-	(316,924)
Disposals	-	-	-	(28,844)	(28,844)
Adjustment	-	-	-	-	-
At 31st December 2017	2,970,000	5,993,770	295,012.00	153,000	9,411,782
Additions	-	14,434	-	-	14,434
Transfers	-	295,012	- 295,012.00	-	-
Disposals	-	- 40,000		-	(40,000)
Adjustment	-	-	-	-	-
At 31st December 2018	2,970,000	6,263,216	- 0	153,000	9,386,216
Depreciation and impairment:					
At 1st January 2017	(1,381,439)	(1,665,570)	-	(106,844)	(3,153,853)
Charge	(209,633)	(281,456)	-	(11,250)	(502,339)
Depreciation on Disposal	-	-	-	28,844	28,844
Adjustment	-	-	-	-	-
At 31st December 2017	(1,591,072)	(1,947,026)	-	(89,250)	(3,627,348)
Provided during the year	(212,143)	(392,506)	-	(15,000)	(619,649)
Disposal	-	40,000.00	-	-	40,000
Adjustment	-	-	-	-	-
At 31st December 2018	(1,803,215)	(2,299,532)	-	(104,250)	(4,206,997)
Carrying amount:					
at 31st December 2017	1,378,928	4,046,744	295,012	63,750	5,784,434
at 31st December 2018	1,166,785	3,963,684	- 0	48,750	5,179,219

Included in tangible assets for the Company at 31 December 2018 was an amount of NIL (2017: £295,012) relating to expenditure for assets in the course of construction.

9. Intangible Fixed Assets

	Total	Goodwill
Cost and carrying amount	£	£
At 1st January 2016 and 31st December 2017	11,966,397	11,966,397
At 1st January 2017 and 31st December 2018	11,966,397	11,966,397

The recoverable amount of goodwill has been determined based on a value in use calculation using cashflow projections based on financial budgets approved by the board covering a three year period.

10. Investments - non current

Investment in subsidiaries	£
at 31st December 2018	22,580,914

The nature of the business and the ultimate net book values are comprised as follows:

Name	Nature of Business	Registered office	Type of Share	% ownership	2018	2017
					£	£
Southern Cement Limited	Trading Cement	No 1 Shed, Cliff Quay, port of Ipswich, Suffock, IP3 0BS	Ordinary	100	19,442,914	19,442,914
Island Cement Limited	Trading Cement	Island House, Isle of Man Business Park, Douglas, IM2 2QZ	Ordinary	100	3,138,000	3,138,000
					22,580,914	22,580,914

11. Stocks

	31st Dec 2018	31st Dec 2017
	£	£
Finished goods and goods for resale	1,535,201	1,707,565

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

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2018

12. Debtors

	31st Dec 2018	31st Dec 2017
Amounts falling within one year		
Trade Debtors	5,224,946	4,641,670
Derivative financial instruments	-	14,791
Amounts owed by Group Companies	225,431	111,224
Corporation Tax	341,025	-
	5,791,401	4,767,685

Amounts owed by group companies are unsecured, interest free and have no fixed repayment terms.

13. Creditors

	31st Dec 2018	31st Dec 2017
Amounts falling within one year		
Trade Creditors, other creditors and accruals	1,761,624	1,804,950
Value added tax	668,239	772,547
Payroll taxes	30,989	16,617
Corporation Tax	-	241,070
Amounts owed to Group Companies	15,093,630	22,580,439
Derivative financial instruments	36,378	-
	17,590,859	25,415,623

Amounts owed to group companies are unsecured, interest free and have no fixed repayment terms.

14. Financial Instruments
Fair Values of Financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Companys financial instrument:

	31st Dec 2018	31st Dec 2017
Financial Assets		
Cash	1,280,337	490,748
Trade Debtors	5,224,946	4,641,670
Derivative financial instruments	-	14,791
Amounts owed by Group Companies	225,431	111,224
Corporation Tax	341,025	-
	7,071,739	5,258,433

Amounts owed by group companies are unsecured, interest free and have no fixed repayment terms.

	31st Dec 2018	31st Dec 2017
Financial Liabilities		
Trade Creditors, other creditors and accruals	1,761,624	1,804,950
Value added tax	668,239	772,547
Payroll taxes	30,989	16,617
Corporation Tax	-	241,070
Amounts owed to Group Companies	15,093,630	22,580,439
Derivative financial instruments	36,378	-
	17,590,859	25,415,623

Amounts owed to group companies are unsecured, interest free and have no fixed repayment terms.

15. Interest payable and similar costs	**31st Dec 2018**	**31st Dec 2017**
	£	£
Intercompany interest payable	595,884	657,083
Bank interest (receivable) / payable	2,288	(491)
Net interest expense	**598,172**	**656,592**
Unwinding of discount on provisions	-	-
	598,172	656,592

16. Share Capital	**31st Dec 2018**	**31st Dec 2017**
Authorised:	£	£
Ordinary Shares of £1 each		
20,000,002 shares	20,000,002	20,000,002
Allotted, Called Up and Fully Paid:		
Ordinary Shares of £1 each		
20,000,002 shares	20,000,002	20,000,002

PREMIER CEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST DECEMBER 2018

17. Directors' Remuneration

None of the directors received any remuneration for their services in their capacity as a director to the Company during the year ended 31st December 2018 (2017: £Nil).

18. Obligations under leases and hire purchase contracts

entered into

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Land and buildings 2018	Land and buildings 2017	Other 2018
Not later than one year	322,074	319,414	6,424
After one year but not more than five years	1,508,920	1,835,865	-
After five years	1,857,042	2,974,724	-
	3,688,036	5,130,003	6,424

19. Parent undertakings, controlling parties, related party transactions and cash flow statements

The Company's immediate parent undertaking and controlling party is CRH UK Ltd., a limited company incorporated in the United Kingdom. The Company's ultimate parent undertaking and controlling party is CRH plc, a public limited company incorporated in the Republic of Ireland.

The Parent undertaking of the smallest and largest group of undertakings for which consolidated group financial statements are prepared, and of which the Company is a member, is CRH plc, a public limited Company incorporated in the Republic of Ireland.

The Company has taken advantage of the exemption granted in FRS101 paragraph 8(j), " Related Party Disclosures " from disclosing intra-group transactions as it is a wholly-owned subsidiary of CRH plc, a public limited Company incorporated in the Republic of Ireland. A Cash Flow Statement has not been prepared for the Company for the year ended 31st December 2018 since the Company's ultimate parent undertaking holding Company is CRH plc for whom a group consolidated Cash Flow Statement has been prepared within which the Company's results are included . Copies of the consolidated group financial statements of CRH plc may be obtained from the Secetary, CRH plc, 42 Fitzwilliam Square, Dublin 2.

20. Provisions

	Deferred Taxation £
As at 1st January 2017	313,107
Arising during the year	(44,872)
As at 31st December 2018	268,235

21. Deferred taxation

The deferred tax included in the balance sheet is as follows

	31st Dec 2018 £	31st Dec 2017 £
Deferred tax liability		
Accelerated Capital Allowances	268,235	313,107
	268,235	295,729

22. Post balance sheet events

No significant events occurred post balance sheet.