

Registered number 02153217

CRH Finance (U.K.) plc

Annual Report and Financial Statements
for the year ended 31 December 2016

CRH Finance (U.K.) plc

Company information

Directors	SP Hardy MBE (resigned 6 June 2016) WJA Donnan P Barry (resigned 5 December 2016) T Healy MJ Choules (appointed 1 February 2017) KE Smart (appointed 1 February 2017)
Company Secretary	SP Hardy MBE (resigned 6 June 2016) Tarmac Secretaries (UK) Limited (appointed 6 June 2016)
Registered number	02153217
Registered office	Portland House Bickenhill Lane Birmingham B37 7BQ United Kingdom
Auditor	Ernst & Young LLP Bedford House 16 Bedford Street Belfast Northern Ireland BT2 7DT
Banker	Citibank Canada Square Canary Wharf London E14 5LB

CRH Finance (U.K.) plc

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CRH Finance (U.K.) plc

Strategic report

for the year ended 31 December 2016

Introduction

The Directors of CRH Finance (U.K.) plc (the Company) present their strategic report for the year ended 31 December 2016.

Business review

The Company's principal activity consists of borrowing monies and lending monies to group companies. During the year ended 31 December 2016 the Company lent the funds it raised from the Medium Term Loan Note issued in 2015 to CRH Limited, another group undertaking registered in the United Kingdom. As a result of the bond which the Company raised and the subsequent loan to CRH Limited the interest income and expense increased significantly in comparison with 2015. The administrative expenses also increased due to the full year of bond guarantee fee payable to CRH plc. The results for the year ended 31 December 2016 show a profit after tax of £Nil (2015: £Nil). Net assets amount to £103,643 at 31 December 2016 (2015: £103,643).

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

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. Adverse changes to these factors may also arise 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.

Changes in interest rates affect the Company's business.

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 its business: interest bearing loans and borrowing, cash and cash equivalents are used to finance the Company operations, intercompany receivables arise directly from operations.

The main risks attached to the Company - 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.

Interest rate risk

The Company's exposure to interest rate risks stems predominantly from its long term debt obligations and amounts owed by other group undertakings. 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.

CRH Finance (U.K.) plc

Strategic report (continued)

Principal risks and uncertainties (continued)

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 borrows the bulk of its debt needs under committed bank lines or other term financing and has surplus committed lines of credit.

Going concern

The Company's business activities, together with the principal risks and uncertainties likely to affect its future performance, are described above. The Company is financed by medium term sterling bonds. 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.

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.

Financial key performance indicators

Some key financial performance indicators which, taken together, are a measure of performance and financial strength are set out below.

The Company was in a net interest paid position in 2016 and 2015. The Company regards ratios based on interest margin as more meaningful measures of financial capacity than the ratio of debt to total equity as they match the earnings and cash generated by a business to the underlying funding costs.

	2016	2015
	%	%
Net interest margin	(0.30)	(0.18)

This report was approved by the board on 26 April 2017 and signed on its behalf.



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WJA Donnan
Director

CRH Finance (U.K.) plc

Directors' report

for the year ended 31 December 2016

The Directors of CRH Finance (U.K.) plc (the Company) present their report and accounts for the year ended 31 December 2016. The accounts 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'.

Results and dividends

The result for the year, after taxation, amounted to £nil (2015 - £nil). No dividends were paid out during 2016 (2015: £nil).

Directors

The Directors who served during the year are listed in the Company information section of this report.

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 have been no significant events affecting the Company since the year end.

Political donations

The Company made no donations to political parties during the year ended 31 December 2016 (2015: £nil).

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 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.

CRH Finance (U.K.) plc
Directors' report (continued)

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 26 April 2017 and signed on its behalf.

A Donnan

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WJA Donnan
Director

CRH Finance (U.K.) plc

Directors' responsibilities statement

for the year ended 31 December 2016

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;
- 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.

CRH Finance (U.K.) plc

Independent auditor's report to the members of CRH Finance (U.K.) plc

We have audited the financial statements of CRH Finance (U.K.) plc for the year ended 31 December 2016, which comprises 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 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement as 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its result 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.

Opinion 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 are consistent with the financial statements;
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

CRH Finance (U.K.) plc

Independent auditor's report to the members of CRH Finance (U.K.) plc (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept; 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.

Handwritten signature of Keith Jess in black ink, reading "Ernst & Young LLP".

Keith Jess (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor
Belfast

27 April 2017

CRH Finance (U.K.) plc
Profit and loss account
for the year ended 31 December 2016

	Note	2016 £	2015 £
Interest receivable	5	15,315,702	7,018,261
Interest payable and similar charges	5	(16,708,945)	(7,725,713)
Net interest charge		(1,393,243)	(707,452)
Administrative expenses	6	(3,649,388)	(880,000)
Other income	7	4,034,105	1,246,150
Loss on ordinary activities before taxation		(1,008,526)	(341,302)
Taxation credit on loss on ordinary activities	7	1,008,526	341,302
Result for the year after taxation		-	-

All amounts relate to continuing operations.

Statement of comprehensive income
for the year ended 31 December 2016

There was no other comprehensive income during the years ended 31 December 2016 and 31 December 2015.

CRH Finance (U.K.) plc

Balance sheet

as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	8	404,343,044	2,635,103
Cash at bank and in hand		-	398,363,115
		<u>404,343,044</u>	<u>400,998,218</u>
Current liabilities			
Creditors: amounts falling due within one year	9	(2,909,317)	(4,865,775)
Overdraft	11	(5,053,802)	-
		<u>(7,963,119)</u>	<u>(4,865,775)</u>
Net current assets		396,379,925	396,132,443
Non-current liabilities			
Creditors: amounts falling due after one year	10	(396,276,282)	(396,028,800)
Net assets		<u>103,643</u>	<u>103,643</u>
Capital and reserves			
Called-up share capital	13	50,000	50,000
Profit and loss account	14	53,643	53,643
Shareholders' funds		<u>103,643</u>	<u>103,643</u>

The financial statements of CRH Finance (U.K.) plc, registered number 02153217, were approved and authorised for issue by the board and were signed on 26 April 2017 on its behalf by:



WJA Donnan
Director

The notes on pages 11 to 18 form part of these financial statements.

CRH Finance (U.K.) plc
Statement of changes in equity
for the year ended 31 December 2016

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2015	50,000	53,643	103,643
Profit for the year	-	-	-
At 1 January 2016	<u>50,000</u>	<u>53,643</u>	<u>103,643</u>
Profit for the year	-	-	-
At 31 December 2016	<u>50,000</u>	<u>53,643</u>	<u>103,643</u>

CRH Finance (U.K.) plc

Notes to the financial statements

for the year ended 31 December 2016

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

The financial statements of CRH Finance (U.K.) plc (the Company) for the year ended 31 December 2016 were authorised for issue by the board of directors on 26 April 2017 and the balance sheet was signed on the board's behalf by Andrew Donnan. CRH Finance (U.K.) plc is incorporated and domiciled in England and Wales.

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

The results of CRH Finance (U.K.) plc 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 significant 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 financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements have been prepared on the going concern basis as the parent undertaking has guaranteed that it will meet the liabilities of the Company as and when they fall due.

The principal accounting policies adopted are set out below.

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 requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- e) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of CRH plc.

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

2. Accounting policies (continued)

Key accounting policies which involve estimates, assumptions and judgements

The preparation of financial statements in conformity with FRS 101, requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates, assumptions and judgements upon which it relies are reasonable based on the information available to it at the time that those estimates, assumptions and judgements are made. In some cases, the accounting treatment of a particular transaction is specifically dictated by IFRS and does not require management's judgement in its application.

Management consider that their use of estimates, assumptions and judgements in the application of the accounting policies are inter-related and therefore discuss them together below. The critical accounting policies which involve significant estimates, assumptions or judgements, the actual outcome of which could have a material impact on the Company's results and financial position outlined below, are as follows:

Financial assets

The Company's financial assets are classified as 'loans and receivables'. Loans receivable are measured initially at fair value plus transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments. Bank overdrafts are presented separately in the Balance Sheet.

Financial liabilities

Financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and service providers. Financial liabilities are initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

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.

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

2. Accounting policies (continued)

Translation of foreign currencies

The Company's functional and presentation currency is the pound sterling denominated by the symbol "£". Foreign currency transactions are translated into the functional currency using the spot rates at the date of transaction. At the end of each financial year foreign currency monetary items are translated to pound sterling at the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Non monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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 substantively 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.

The Company participates in a tax group, where tax losses are shared and utilised for the benefit of the group and in compliance with the applicable tax legislation. Participant companies are compensated for sharing their tax losses with other fellow companies.

Capital Management

The CRH plc group corporate treasury function provides services to its business units, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the CRH Group. A number of these services are provided through CRH Finance (U.K.) plc.

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

2. Accounting policies (continued)

Capital Management (continued)

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital with a focus on net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and short-term deposits.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015.

Financial instruments

The Company uses financial instruments throughout its businesses: interest-bearing loans and borrowings and cash and cash equivalents used to finance the Company's operations; intercompany receivables and payables arise directly from the business operations. The Company does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified at initial recognition as cash and cash equivalents or as intercompany receivables. Financial liabilities are classified at initial recognition as overdrafts, loans and borrowings or as intercompany payables. All financial assets and liabilities are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset or liability.

Subsequent Measurement

Cash and cash equivalents and overdrafts are short term assets and liabilities and are recorded at book value. 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. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement.

3. Directors' remuneration

The Directors' services to the Company do not occupy a significant amount of their time. As such the Directors do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2016 and the year ended 31 December 2015.

4. Employees

There were no paid employees employed by the Company during the year (2015: none).

CRH Finance (U.K.) plc
Notes to the financial statements (continued)

5. Interest

	2016	2015
	£	£
Interest receivable		
Bank interest receivable	122,317	52,508
Interest receivable from group undertakings:	<u>15,193,385</u>	<u>6,965,753</u>
	<u><u>15,315,702</u></u>	<u><u>7,018,261</u></u>
Interest payable & similar charges		
Interest payable on bonds	(16,500,000)	(7,718,449)
Bond fees	<u>(208,945)</u>	<u>(7,264)</u>
	<u><u>(16,708,945)</u></u>	<u><u>(7,725,713)</u></u>

6. Operating loss

Auditor's remuneration costs are borne by CRH (UK) Limited, the immediate parent company. Non-audit services have not been provided during the current and prior year. Administration expense during the year relates to bond guarantee fees paid to the parent.

7. Taxation

The tax credit is made up as follows:

	2016	2015
	£	£
Current tax:		
Group relief receivable	(1,008,526)	(341,302)
Tax on loss on ordinary activities	<u><u>(1,008,526)</u></u>	<u><u>(341,302)</u></u>

Factors affecting the current tax credit

The tax assessed on the loss on ordinary activities for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are reconciled below:

	2016	2015
	£	£
Loss on ordinary activities before taxation	(1,008,526)	(341,302)
Group relief shown as other income	<u>(4,034,105)</u>	<u>(1,246,150)</u>
	<u><u>(5,042,631)</u></u>	<u><u>(1,587,452)</u></u>
Standard rate of corporation tax in the UK	20.00%	20.25%
Subtotal above multiplied by the standard rate of corporation tax (current tax credit)	(1,008,526)	(341,302)
Group relief received at higher rate of tax (shown as Other Income)	(4,034,105)	(1,246,150)
	<u><u>(5,042,631)</u></u>	<u><u>(1,587,452)</u></u>

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

7. Taxation (continued)

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.

Deferred taxation

The Directors believe there are no significant factors affecting future tax charges.

8. Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Amounts due from group undertakings	112,962	1,047,652
Group relief	6,630,082	1,587,451
	<u>6,743,044</u>	<u>2,635,103</u>
Amounts falling due after one year:		
Amounts due from group undertakings	397,600,000	-
	<u>404,343,044</u>	<u>2,635,103</u>

In April 2016 the Company lent to CRH Limited, a fellow group undertaking, £397,600,000 repayable in full on 2 December 2029. The loan accrues interest at 5.185% per annum, payable in arrears in December each year.

9. Creditors – Amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	(158,200)	(403,200)
Amounts due to group undertakings	(1,440,158)	(3,129,079)
Accrued interest	(1,310,959)	(1,333,496)
	<u>(2,909,317)</u>	<u>(4,865,775)</u>

10. Creditors – Amounts falling due after more than one year

	2016	2015
	£	£
Medium Term loan repayable (note 12)	<u>(396,276,282)</u>	<u>(396,028,800)</u>

On 2 December 2015 the Company raised £400 million through the issuance of sterling bonds with a fourteen year term under the issuers Euro Medium Term note programme established in 2007 guaranteed by CRH plc. The notes pay a fixed interest rate of 4.125% payable annually in arrears. The use of the funds is for general corporate business purposes.

CRH Finance (U.K.) plc
Notes to the financial statements (continued)

11. Bank overdrafts

	2016 £	2015 £
Bank overdrafts	<u>(5,053,802)</u>	<u>-</u>

Bank overdrafts are secured by guarantees from the ultimate parent company. The amounts drawn under the facility are repayable on demand.

12. Loans and borrowings

On 2 December 2015 the Company raised £400 million through the issuance of sterling bonds with a fourteen year term under the Euro Medium Term note programme established in 2007 guaranteed by CRH plc. The notes pay a fixed interest rate of 4.125% payable annually in arrears. The use of the funds is for general corporate business purposes.

The Company along with other group companies has available a total of €2,837,200,000 borrowing facilities with a group of financial institutions (2015: €2,837,200,000). The maturity profile of the available and undrawn committed facilities in Sterling at the Balance sheet dates was:

	2016 £	2015 £
Undrawn committed facilities		
Within one year	-	-
Between one and two years	-	-
Between two and three years	-	-
Between three and four years	78,085,440	-
Between four and five years	2,351,125,200	2,082,504,800
After five years	-	-
Total	<u>2,429,210,640</u>	<u>2,082,504,800</u>
Conversion rate – €/£	0.8562	0.7340

13. Called up share capital

	2016 £	2015 £
Authorised, called up, allotted and fully paid		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

14. Reserves

The profit and loss reserve represents the net cumulative retained earnings.

15. 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.

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

16. Parent undertakings and controlling parties

The immediate holding company is CRH (UK) Limited, a company incorporated in the United Kingdom. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the Company is a member is CRH plc, a company incorporated in the Republic of Ireland. The ultimate controlling party is CRH plc. Copies of the group financial statements may be obtained from the registered office of CRH plc, 42 Fitzwilliam Square, Dublin D02 R279, Ireland.