

CRH Finance (U.K.) plc

Annual Report and Financial Statements

for the Year Ended 31 December 2020

CRH Finance (U.K.) plc

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CRH Finance (U.K.) plc

Company Information

Directors	KE Smart AJW Donnan T Healy
Company Secretary	Tarmac Secretaries (UK) Limited
Registered office	Portland House Bickenhill Lane Birmingham England B37 7BQ
Auditor	Deloitte LLP Four Brindleyplace Birmingham B1 2HZ

CRH Finance (U.K.) plc

Strategic Report for the Year Ended 31 December 2020

Introduction

The Directors present their strategic report for CRH Finance (U.K.) plc (the "Company") for the year ended 31 December 2020.

The Company is part of the CRH sub-group of companies in the UK and is ultimately owned by CRH plc (CRH). CRH and its subsidiaries are referred to as the Group.

Fair review of the business

The Company's principal activity consists of borrowing monies and lending monies to group companies. The results for the year ended 31 December 2020 show a profit after tax of £197,507 (2019: £187,855). Net assets amount to £808,789 at 31 December 2020 (2019: £611,282).

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 market conditions. Adverse changes to these factors may also arise from the systematic risks in the financial system, these could affect the recoverability and value of the Company's asset and require a provision for expected credit losses or other provisions.

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 the issuance of long term debt obligations and lending to other group undertakings. Interest rate risk is managed centrally by CRH plc group treasury through the use of a mix of fixed and floating rate debt for the Group. During the reporting period, the Company's long-term debt obligations and amounts owed by other group undertaking both carried fixed interest rates.

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. The impact of Covid-19 is addressed later in the Strategic Report.

CRH Finance (U.K.) plc

Strategic Report for the Year Ended 31 December 2020 (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. The impact of Covid-19 is addressed later in the Strategic Report.

To achieve this objective, the Company borrows the bulk of its debt needs under committed bank lines or other term financing, in addition to the sterling bonds held, and has surplus committed lines of credit.

Withdrawal of the United Kingdom from the European Union

The United Kingdom left the European Union on 31 January 2020. The effect of the withdrawal of the United Kingdom from the European Union has increased the volatility of the economies of the United Kingdom and the rest of Europe. It is expected that this uncertainty will have a limited impact on the Company and its activity as a finance company with transactions in fixed interest rate financial instruments.

COVID-19

Having considered the impact of the COVID-19 pandemic, the Board has taken into account the nature of the Company's activities; which consist of the provision of finance to other CRH companies and being the holder of listed debt. The 2020 results were not significantly impacted by the COVID-19 pandemic. The Directors have determined that based on recent trading of the CRH Group the continued pandemic is not expected to have a significant impact on the Company's business. The Directors will continue to monitor the situation constantly and take any necessary actions to minimise the possible impacts of COVID-19. The CRH Group is in a strong financial position to navigate the economic impact of the current situation and will continue to provide guarantee over the liabilities of the Company.

Financial key performance indicators

The key financial performance indicator which measures the Company's performance and financial strength is set out below. The Company calculates the net interest margin as a percentage of the net interest income or expense to the interest-earning assets.

The Company was in a net interest receivable position in 2020 and 2019. 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 the business to the underlying funding costs.

	2020	2019
	%	%
Net interest margin	1.04	1.04

CRH Finance (U.K.) plc

Strategic Report for the Year Ended 31 December 2020 (continued)

Section 172 Report

Set out below is the Company's section 172 report as required under the Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations"). The Regulations require the Company to report how the directors of the Company have considered their duties under section 172 (of the Companies Act 2006 (the "Act")) ("Section 172"), to promote the success of the Company, during the reporting period.

The Company is part of the CRH sub-group of companies in the UK and is ultimately owned by CRH plc (CRH). CRH and its subsidiaries are referred to as the Group. In the management of its subsidiaries, the Group defines the measurement of success as long term value creation for the benefit of both the immediate entity and the wider Group. The Company's corporate purpose is to borrow and lend monies to other companies within the Group. A key principle applied by our directors is to always consider whether the decision they are about to take leads to a positive long-term increase in the value of the Company for the benefit of the shareholder, and ultimately CRH.

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

Decision making and corporate governance process

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

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

Directors' Training

The Group's Legal and Compliance programmes support the Group in operating consistently with its values which includes leading with integrity and building enduring relationships. The Group's Legal and Compliance team provides advice, guidance and support to management and works closely with them to provide training to our employees. The Legal and Compliance team provides support on a range of matters, including establishing policies and procedures, providing compliance training, communications and legal advice on compliance and business issues.

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

CRH Finance (U.K.) plc

Strategic Report for the Year Ended 31 December 2020 (continued)

Board Composition

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

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

Stakeholder Engagement

The principal activity of the Company is to act as a financing company for other entities in the CRH sub-group in the UK, which includes the provision of financing support to subsidiaries and fellow Group companies. The Company's key stakeholders are its shareholder, long term creditors (including bond holders and financial institutions) and other Group companies which it provides financial support to. When making decisions, the Board must consider how the decisions made affect both the shareholder as well as other Group companies to ensure the long-term success of the Company and sustainable value creation for the shareholder and ultimately, CRH.

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

Principal Decisions

In line with the Regulations, the Policy and FRC guidance, and having considered the Company's principal risks and uncertainties as detailed in the Strategic Report along with the business undertaken during the period under review the Company did not make any principal decisions during the year ended 31 December 2020.

Approved by the Board on 29 April 2021 and signed on its behalf by:

DocuSigned by:

Andrew Donnan

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AJW Donnan

Director

CRH Finance (U.K.) plc

Directors' Report for the Year Ended 31 December 2020

The Directors present their annual report and the financial statements of CRH Finance (U.K.) plc for the year ended 31 December 2020.

Results and dividends

The result for the year, after taxation, amounted to £197,507 (2019: £187,855). No dividends were paid out during 2020 (2019: £nil).

Directors of the Company

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

KE Smart

AJW Donnan

T Healy

Directors indemnities

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

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.

Stakeholder Engagement

The Board recognises the importance of considering and having regard to key stakeholders when making decisions. By thoroughly understanding the Company's key stakeholder groups, the Board can successfully factor in and address the needs of these stakeholders and foster good business relationships with. The Company's key shareholders are its shareholders, long term creditors (including bondholders and financial institutions) and other Group companies which it provides support to ("Stakeholders").

Regularly engaging with the Stakeholders is a priority for the Company and the below describes how the Group, which includes the Company, have had regard to the need to foster relationships with its Stakeholders and the effect of that regard, including on the decisions taken by the Group, during the reporting period.

Shareholders

Stakeholders' interests

The Company's immediate parent company is CRH (UK) Limited and it is ultimately 100% owned by CRH plc.

How we have fostered relationships

Group Treasury, Tax and Finance coordinate with the Company's Finance team to evaluate the Company's ongoing capital position and its purpose within the Group structure. The Company reports to CRH on a regular basis in the form of its financial statements and ongoing financial performance.

How the fostering of relationships impacted decision making

Although no decisions have been made during the reporting period which have impacted the Company's sole shareholder, the Company's strategy is to maximise and sustain value for CRH, the Company's ultimate parent. Regular engagement with Group functions allows the directors to ensure this objective is achieved.

CRH Finance (U.K.) plc

Directors' Report for the Year Ended 31 December 2020 (continued)

Creditors

Stakeholders' interests

External lenders and bondholders are vital to the success of the Group by providing funds and capital to the Group and the Company to support business growth throughout the Group. Creditors expect returns and for the Group's debts to be maintained at an appropriate level.

How we have fostered relationships

On behalf of the Company, the Group frequently engages with the Company's creditors and credit agencies as part of the Group's financial risk management processes. The Group's treasury activities are coordinated through a central function which manages the financial risks of the Group, including on behalf of the Company, and secures funding for the Group and the Company where necessary. Bondholders and lenders have access to the Group's financial statements, results and announcements which are made publicly available.

How the fostering of relationships impacted decision making

Although no decisions have been made during the reporting period which have impacted the Company's creditors, the engagement undertaken ensures the Company's levels of borrowings are appropriate for its needs, the Company meets all relevant covenants imposed by its creditors and ultimately the Company can continue to access finance should the need arise.

Group companies

Stakeholders' interests

The Company's principal activity is to operate as a financing company within the Group structure, providing funding to other Group companies to support those companies achieve their purpose through their business operations and strategies.

How we have fostered relationships

Liquidity and financing is managed and coordinated through a central function which manages the financial borrowings and lending of the Group. The central function regularly assesses the Company's levels of borrowings and lending to ensure it can maintain its principal activity and continue to provide funding to other Group companies.

How the fostering of relationships impacted decision making

Regular assessment and forecasting of the Company's capital position enables the Company to ensure it obtains the appropriate levels of financing it needs and can continue to provide the financing required by other Group companies.

Future developments

The Directors do not anticipate any major change in the nature of the Company's business in the foreseeable future. See Post balance sheet events section below.

Going concern

The Company's business activities, together with the principal risks and uncertainties likely to affect its future performance, are described in the Strategic Report. 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. The Company has been provided with a group guarantee from its ultimate parent company, CRH plc, for its borrowings and has also received confirmation of ongoing support from CRH plc for a period of at least 12 months from the date of the approval of these financial statements.

After making enquiries, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future with the Company borrowings guaranteed by CRH plc and the willingness and ability of CRH plc to provide support to the Company if required. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

CRH Finance (U.K.) plc

Directors' Report for the Year Ended 31 December 2020 (continued)

Post balance sheet events

Having considered the continued COVID-19 pandemic and national lockdowns within the UK during the first quarter of 2021, the Board has taken into account the nature of the Company's activities which consist of the provision of finance to other CRH Companies. The Directors have determined that based on recent trading of the CRH Group the continued pandemic is not expected to have a significant impact on the Company's business. The Directors continue to monitor the situation constantly and will take any necessary actions to minimise the possible impacts of COVID-19. The CRH Group continues to be in a strong financial position to navigate the economic impact of the current situation and will continue to provide guarantee over the liabilities of the Company.

Disclosure of information to the Auditor

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Auditors

During the year Ernst & Young LLP resigned as the Company's Auditor and Deloitte LLP were appointed in their place.

Deloitte LLP have indicated their willingness to be reappointed as auditor. Deloitte LLP will be proposed for reappointment in accordance with Section 489 of the Companies Act 2006.

Approved by the Board on 29 April 2021 and signed on its behalf by:

DocuSigned by:

Andrew Donnan

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AJW Donnan

Director

CRH Finance (U.K.) plc

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' (FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRH FINANCE (U.K.) PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of CRH Finance (U.K.) plc (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 17.

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

2. Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"> <i>Going concern and recoverability of debtors from group undertakings</i>
Materiality	The materiality that we used in the current year was £82,500 which was determined on the basis of 0.5% of interest payable on the bond.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	The audit approach was determined based on our understanding of the entity, relevant auditing standards and our review of the predecessor auditor's file. Based on these procedures, there were no significant changes in our approach from the predecessor auditor.

4. Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.1.

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

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

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Going concern and recoverability of debtors from group undertakings

Key audit matter description

The company has creditors of £398,626,649 at 31 December 2020, with financing comprising of listed debt of £397,225,297 which is repayable on 2 December 2029 and incurs interest of 4.125% per annum. This is a sterling bond held under the Euro Medium Term Note programme. The company also has debtors due from group undertakings totalling £399,435,438, with £396,960,000 comprised by an intercompany loan with CRH (UK) Ltd due on 2 December 2029.

The ability of the company to repay the debt and pay the relevant interest charges is dependent on the trading performance and future prospects of CRH (UK) Ltd and whether this entity will have the ability to repay their loans to the company. The intercompany debtors comprise 99.4% of total assets, so recoverability thereof is key for the company to maintain a strong financial position and to repay the debt as and when due. Failure to recover the loan would therefore affect the going concern basis of accounting under which the financial statements have been prepared.

In case CRH (UK) Ltd is unable to repay the loan, the company is dependent on support from its ultimate parent undertaking, CRH plc. CRH plc is the guarantor for the bonds under the Euro Medium Term Note programme, so they are expected to assist in repaying the bonds when due in 2029 should the need arise. Therefore, any unwillingness of the parent undertaking to support the company would in turn affect the going concern basis of accounting under which the financial statements have been prepared.

The directors have prepared a going concern assessment for the company, which involves significant judgement over key assumptions such as future performance and the ability for CRH plc to support the company.

Further details are included within the strategic report on pages 2 to 5 and notes 2 and 9 to the financial statements.

How the scope of our audit responded to the key audit matter

We inspected the Euro Medium Term Note prospectus and supplement from 2015 to assess whether CRH plc was a guarantor for the company on the bonds. We also reviewed the guarantor agreement between CRH plc and the company to assess the existence of this arrangement up to the maturity date of 2 December 2029.

We evaluated management's going concern assessment, challenging the key assumptions based on our knowledge of the business and general market conditions affecting the group undertakings, our understanding of the future performance of the business, industry forecasts and assessed the potential risk of management bias.

We also assessed the willingness and ability of CRH plc to continue to support the company by inspecting the letter of support from CRH plc to the company, evaluating the latest available audited financial information and holding inquiries with the audit engagement team of CRH plc to assess whether it has sufficient resources to support the company if needed. We also inspected analyst reports on CRH group to understand forecast performance and whether this supports the assumption that CRH plc can continue to support the company. To ascertain the most recent industry outlook and trading performance, we evaluated the CRH group trading update for Q1 2021 to assess whether CRH plc has sufficient resources to support the company.

We obtained the latest available audited financial statements for CRH (UK) Ltd to assess whether the entity is in a net asset position.

We evaluated the adequacy of disclosure made in note 2 in respect of the company's ability to continue as a going concern.

Key observations

Based on the work performed we are satisfied that the adoption of the going concern basis of accounting and the disclosure in respect of the company's ability to continue as a going concern are appropriate. We concluded that debtors from group undertakings are appropriately stated.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£82,500 (2019: £82,500 as determined by the predecessor auditor)
Basis for determining materiality	0.5% (2019: 0.5%) of interest payable on the bond
Rationale for the benchmark applied	Interest payable on the bond is the main expense for the company. It does not fluctuate year-on-year and provides a consistent basis. This is a key figure for stakeholders, since the company's objective is to provide financing to other group entities. Therefore, the company's ability to repay interest on the bonds is key to their ability to provide financing.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit (2019: 75% as determined by the predecessor auditor). In determining performance materiality, we considered the following factors:

- a. This is a first year audit engagement
- b. The nature of the entity and its control environment
- c. Our understanding of key business processes from the previous year
- d. The absence of corrected and uncorrected misstatements in the previous audit
- e. The absence of prior period adjustments in the previous audit

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £4,125 (2019: £4,125 as determined by the predecessor auditor), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. 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 within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- the matters discussed among the audit engagement team and relevant internal specialists, including tax specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Other matters which we are required to address

14.1. Auditor tenure


Following the recommendation of the Board of Directors of CRH plc, we were appointed by the company on 18 December 2020 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 1 year, covering the year ended 31 December 2020.

14.2. Consistency of the audit report with the additional report to the Board of Directors

Our audit opinion is consistent with the additional report to the Board of Directors we are required to provide in accordance with ISAs (UK).

15. Use of our report

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

DocuSigned by:

9E63CA67EDEA45C...

Ryan Duffy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

29 April 2021

CRH Finance (U.K.) plc**Profit and Loss Account for the Year Ended 31 December 2020**

	Note	2020 £	2019 £
Interest receivable and similar income	5	20,638,803	20,616,658
Interest payable and similar expenses	6	<u>(16,752,160)</u>	<u>(16,741,950)</u>
Net interest income		3,886,643	3,874,708
Administrative expenses		<u>(3,642,808)</u>	<u>(3,642,788)</u>
Profit before tax		243,835	231,920
Tax on profit	8	<u>(46,328)</u>	<u>(44,065)</u>
Profit for the year after tax		<u><u>197,507</u></u>	<u><u>187,855</u></u>

The above results were derived from continuing operations.

CRH Finance (U.K.) plc**Statement of Comprehensive Income for the Year Ended 31 December 2020**

	2020	2019
	£	£
Profit for the year	197,507	187,855
Other comprehensive income	-	-
Total comprehensive income for the year	<u>197,507</u>	<u>187,855</u>

The notes on pages 22 to 29 form an integral part of these financial statements.

CRH Finance (U.K.) plc
(Registration number: 02153217)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
Non current assets			
Debtors	9	<u>396,960,000</u>	<u>396,960,000</u>
		<u>396,960,000</u>	<u>396,960,000</u>
Current assets			
Debtors: amounts falling due within one year	9	2,475,438	1,973,652
Cash at bank and in hand		<u>-</u>	<u>62,892</u>
		2,475,438	2,036,544
Current liabilities			
Creditors: amounts falling due within one year	10	<u>(1,401,352)</u>	<u>(1,412,125)</u>
Net current assets			
		<u>1,074,086</u>	<u>624,419</u>
Non-current liabilities			
Creditors: amounts falling due after one year	11	<u>(397,225,297)</u>	<u>(396,973,137)</u>
Total liabilities			
		<u>(398,626,649)</u>	<u>(398,385,262)</u>
Net assets			
		<u>808,789</u>	<u>611,282</u>
Capital and reserves			
Share capital	13	50,000	50,000
Profit and loss account	14	<u>758,789</u>	<u>561,282</u>
Shareholder's funds		<u>808,789</u>	<u>611,282</u>

Approved by the Board and authorised for issue on 29 April 2021. They were signed on its behalf by:

DocuSigned by:

Andrew Donnan

.....209394076A0044D:.....

AJW Donnan

Director

CRH Finance (U.K.) plc**Statement of Changes in Equity for the Year Ended 31 December 2020**

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	50,000	373,427	423,427
Profit for the year	-	187,855	187,855
At 31 December 2019	<u>50,000</u>	<u>561,282</u>	<u>611,282</u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	50,000	561,282	611,282
Profit for the year	-	197,507	197,507
At 31 December 2020	<u>50,000</u>	<u>758,789</u>	<u>808,789</u>

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020

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 2020 were authorised for issue by the board of directors on 29 April 2021 and the balance sheet was signed on the board’s behalf by AJW Donnan. CRH Finance (U.K.) plc is incorporated and domiciled in England and Wales and operating under the Companies Act 2006. CRH Finance (U.K.) plc is a public company limited by shares, whose registered office is Portland House, Bickenhill Lane, Birmingham, England, B37 7BQ.

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, which is the Company’s functional currency, 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.

Going concern

The Company’s business activities, together with the principal risks and uncertainties likely to affect its future performance, are described in the Strategic Report. 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. The Company has been provided with a group guarantee from its ultimate parent company, CRH plc, for its borrowings and has also received confirmation of ongoing support from CRH plc for a period of at least 12 months from the date of the approval of these financial statements.

After making enquiries, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future with the Company borrowings guaranteed by CRH plc and the willingness and ability of CRH plc to provide support to the Company if required. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

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

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

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 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 financial assets when the contractual rights to the cash flows from the asset expire. The Company also derecognises such assets upon transfer of the contractual right to receive cash flows of the asset. If the Company retains the contractual rights to receive the cash flows of the financial asset, derecognition of the asset will also occur when assuming a contractual obligation to pay such cash flows to one or more recipients, provided that substantially all the risks and rewards of ownership of the financial asset have been transferred 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.

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Financial liabilities

Financial liabilities are obligations to pay for amounts related to debt securities issued as well as goods and 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 calculated on the accrual basis, by reference to the principal outstanding and at the interest rate applicable based on the effective interest rate method.

Interest payable and similar charges

Interest expense is accrued on a time basis, by reference to the outstanding principal amount owed and at the interest rate applicable based on the effective interest rate method. Similar charges include the unwinding of the discount of the Company's bond liability.

Impairment of financial assets

The Company's financial assets measured at amortised cost are subject to IFRS 9's expected credit loss model.

The Company shall, at each reporting date, measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The Company shall recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

The Company shall assess at each reporting date whether the credit risk on a financial instrument has increased significantly since initial recognition. The Company shall assess that by using the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. In making that assessment, the Company shall compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

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.

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

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 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 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.

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 any financial covenants attached to any 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 any financial covenants of any interest bearing loans and borrowing in the current period. There are no covenants attached to the external sterling bonds issued under the Euro Medium Term note programme (see note 12). No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

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.

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

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 2020 and the year ended 31 December 2019.

4 Staff costs

The Company had no employees during the year (2019: nil).

5 Interest receivable and similar income

	2020	2019
	£	£
Bank interest receivable	37	4,280
Interest receivable from Group undertakings	20,638,766	20,612,378
	20,638,803	20,616,658

6 Interest payable and similar expenses

	2020	2019
	£	£
Interest payable on bonds	16,500,000	16,500,000
Amortisation of capitalised bond fees	252,160	241,950
	16,752,160	16,741,950

7 Operating profit

Auditor's remuneration costs of £15,000 (2019: £15,000) are borne by CRH (UK) Limited, the immediate parent company. Non-audit services have not been provided during the current and prior year. The Administrative expenses during the year relate to bond guarantee fees paid to the ultimate parent and listing fees paid to the Irish Stock Exchange.

8 Tax on profit

Tax charged in the profit and loss account

	2020	2019
	£	£
Current taxation		
UK corporation tax	46,328	44,065

The differences between the total tax for the year and the amount calculated by applying the standard rate of UK corporation tax of 19% (2019: 19%) to the profit before tax are as follows:

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

8 Tax on profit (continued)

	2020	2019
	£	£
Profit before tax	243,835	231,920
Corporation tax at standard rate	46,328	44,065
Total tax charge	46,328	44,065

Factors that may affect future tax charges

Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017, resulting in a current tax rate for the year of 19%. On 15 September 2016, Finance Bill 2016 enacted a further rate reduction to 17% with effect from 1 April 2020. A further change was enacted in Finance Act 2020 to cancel the proposed reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020. Therefore, the rate enacted at the balance sheet date was 19%.

On 3 March 2021, the Chancellor of the Exchequer announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of Corporation Tax for all non-ring fence profits to 25% for the financial year 2023. This has not yet been substantively enacted.

Deferred taxation

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

9 Debtors

	31 December 2020	31 December 2019
	£	£
Amounts falling due after one year:		
Amounts due from group undertakings	396,960,000	396,960,000
Amounts falling due within one year:		
Amounts due from group undertakings	2,475,438	1,973,652
	399,435,438	398,933,652

Amounts due from group undertakings due after one year are a loan due from CRH (UK) Limited. On the same day CRH Finance (U.K.) plc lent £396,960,000 to its immediate parent CRH (UK) Limited. The loan is repayable in full on 2 December 2029 and accruing interest at 5.185% per annum, payable in arrears in November each year. Amounts due from group undertakings falling due within one year are an accrual for this interest outstanding at year end.

10 Creditors: Amounts due in less than one year

	31 December 2020	31 December 2019
	£	£
Accrued interest	1,310,959	1,310,959
Group relief	90,393	101,166
	1,401,352	1,412,125

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Creditors: Amounts falling due after more than one year

	31 December 2020	31 December 2019
	£	£
Medium term loan repayable (note 12)	<u>397,225,297</u>	<u>396,973,137</u>

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 €3,550,000,000 committed facilities with a group of financial institutions (2019: €3,550,000,000). The maturity profile of the available and undrawn committed facilities in Sterling at the balance sheet dates was:

	2020	2019
	£	£
Within one year	-	-
Between one and two years	-	-
Between two and three years	44,900,000	-
Between three and four years	-	42,540,000
Between four and five years	3,143,000,000	2,977,800,000
After five years	-	-
	<u>3,187,900,000</u>	<u>3,020,340,000</u>
Conversion rate - €/£	0.8980	0.8508

The Company is also a named borrower to an undrawn uncommitted facility of €100,000,000.

Loans and bank overdrafts are secured by guarantees from the ultimate parent company, CRH plc.

CRH Finance (U.K.) plc

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	£	No.	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

14 Reserves

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

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

Details of all movements in reserves are shown in the Statement of Changes in Equity on page 21.

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.

16 Parent and ultimate parent undertaking

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

The ultimate parent is CRH plc.

Relationship between entity and parents

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

The address of CRH plc is:
42 Fitzwilliam Square,
Dublin,
D02 R279,
Ireland

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

17 Post balance sheet events

Having considered the continued COVID-19 pandemic and national lockdowns within the UK during the first quarter of 2021, the Board has taken into account the nature of the Company's activities which consist of the provision of finance to other CRH Companies. The Directors have determined that based on recent trading of the CRH Group the continued pandemic is not expected to have a significant impact on the Company's business. The Directors continue to monitor the situation constantly and will take any necessary actions to minimise the possible impacts of COVID-19. The CRH Group continues to be in a strong financial position to navigate the economic impact of the current situation and will continue to provide guarantee over the liabilities of the Company.

Certificate Of Completion

Envelope Id: 1C139699D12B4518B433A595FDBD7C72	Status: Completed
Subject: Please DocuSign: CRH Finance (U.K) plc - FINAL.pdf	
Source Envelope:	
Document Pages: 31	Signatures: 4
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Company Secretariat
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	42 Fitzwilliam Square
	Dublin, Dublin 2 D02 R279
	Company.Secretariat@tarmac.com
	IP Address: 3.9.5.224

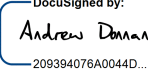
Record Tracking

Status: Original Apr-29-2021 07:06	Holder: Company Secretariat Company.Secretariat@tarmac.com	Location: DocuSign
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Signer Events

Andrew Donnan
ADonnan@northstone-ni.com
Mr
Security Level: Email, Account Authentication (None)

Signature


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Signature Adoption: Pre-selected Style
Using IP Address: 81.153.170.75

Timestamp

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Signed: Apr-29-2021 | 07:59

Electronic Record and Signature Disclosure:
Accepted: Apr-29-2021 | 07:49
ID: 80ed9765-7210-40fa-a137-4290549a362f

Ryan Duffy
ryaduffy@deloitte.co.uk
Security Level: Email, Account Authentication (None)

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Signed: Apr-29-2021 | 09:10

Electronic Record and Signature Disclosure:
Accepted: Apr-29-2021 | 09:08
ID: 310fc6e3-7505-41d1-a23c-92532e190dec

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
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Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Dipesh Mistry
dipemistry@deloitte.co.uk
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Electronic Record and Signature Disclosure:
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Carbon Copy Events	Status	Timestamp
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Company Secretariat company.secretariat@tarmac.com Tarmac Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: Apr-29-2021 09:10 Resent: Apr-29-2021 09:11
Ruth Button ruth.button@tarmac.com Senior Manager - Accounting Advisory Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: Apr-29-2021 09:10 Viewed: Apr-29-2021 09:14
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	Apr-29-2021 07:25
Certified Delivered	Security Checked	Apr-29-2021 09:08
Signing Complete	Security Checked	Apr-29-2021 09:10
Completed	Security Checked	Apr-29-2021 09:10
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, CRH Group Procurement Services Ltd. (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at procurement@crh.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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