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CRH Finance (U.K.) plc

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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CRH Finance (U.K.) plc

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CRH Finance (U.K.) plc

Strategic Report for the Year Ended 31 December 2021

Introduction
The Directors present their strategic report for CRH Finance (U.K.) plc (the "Company") for the year ended 31 December 2021.

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 2021 show a profit after tax of £143,695 (2020: £197,507). Net assets amount to £952,484 at 31 December 2021 (2020: £808,789).

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

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

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 2021 and 2020. 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.

	2021	**2020**
	%	**%**
Net interest margin	1.03	1.04

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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. Risks arising from changes in credit quality and the recoverability of loans and amounts due from other group companies are inherent in the Company's business.

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 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. During the reporting period, the Company’s long-term debt obligations and amounts owed by other group undertakings 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.

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, in addition to the sterling bonds held, and has surplus committed lines of credit.

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

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 (the Companies Act 2006) ("Section 172"), to promote the success of the Company, for the benefit of its members as a whole, and in doing so have regard, amongst other matters:

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

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

The Company's corporate purpose is to borrow and lend monies to other companies within the Group. A key principle applied by our directors, in demonstrating their s172 duties, 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 and its stakeholders.

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

Decision making and corporate governance process

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

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

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

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

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

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

Stakeholder Engagement
The principal activity of the Company is to act as a 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 both the short- and long-term impact of decisions and also how the decisions made affect both the shareholder as well as other Group companies. This is to ensure the long-term success of the Company and sustainable value creation for the shareholder and ultimately, CRH.

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

Consideration of environmental and sustainability factors is of growing importance to the Board, CRH and its stakeholders. In particular, third party lenders, a key stakeholder of the Company, are increasing their focus on environmental, social and governance ("ESG") issues. They are looking to understand how their customers are using their financing and increasingly using sustainability-linked criteria to allocate financing. As such, a critical point for the Board is to consider this growing level of review and oversight from lenders and more widely financial institutions. In this respect the Board continues to evolve its focus on the environmental impacts of its business, of which these priorities for CRH include climate action around water usage, biodiversity and land use, waste and air quality. For further information refer to the latest CRH Sustainability Report which explains more on the CRH sustainability strategy. CRH is a global leader in sustainable building materials and is playing an increasing important role in shaping a more sustainable built environment.

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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, in conjunction with CRH as guarantor, made one principal decision during the year ended 31 December 2021. The decision was considered principal due to the significant impact to CRH plc as the guarantor of the facility and a stakeholder of the Company. This decision related to restating and extending a €3,500,000,000 multicurrency revolving credit facility along with a number of other companies in the CRH group. The facility restates a previous facility based on LIBOR rates which are being discontinued at the end of 2021. The new facility instead is based on Alternative Reference Rates (ARRs), as recommended by various working groups, and also extends the facility to the period 2026. The Board in conjunction with CRH plc as guarantor, having considered the amendments and restatement agreement, found the decision to enter into the restated facility to be in the best interests of the Company considering in particular the long-term viability of the Group.

Approved by the Board on 27-Apr-2022 and signed on its behalf by:

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Andrew Donnan

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AJW Donnan

Director

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The Directors present their annual report and the financial statements of CRH Finance (U.K.) plc for the year ended 31 December 2021.

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

Results and dividends
The result for the year, after taxation, amounted to £143,695 (2020: £197,507). During the year, no dividends were paid, received or proposed by the company (2020: £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.

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

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

Employment of disabled persons
It is Company and CRH group wide policy to treat all employees and potential employees equally and to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position and, wherever possible, to re-train employees who become disabled so that they can continue their employment.

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 them. 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.

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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

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.

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

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.

Employee engagement

It is Company and CRH group wide policy to communicate with, and involve employees on, matters affecting their interests at work and to inform them of the performance of the business. This includes adopting such employee consultation as is appropriate, including consultative committees, training and development and communication programmes. The information is complemented by information on the internal intranet, which contain items of news, current affairs and information relevant to employees

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.

CRH Finance (U.K.) plc

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

Going concern

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

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

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

Post balance sheet events

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

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

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

27-Apr-2022

Approved by the Board on .... 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 are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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 listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard 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 matters	The key audit matter that we identified in the current year is: • *Going concern and recoverability of debtors from group undertakings*
Materiality	The materiality that we used in the current year was £495,000 which was determined on the basis of 3% of interest paid 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	There were no significant changes in our approach from prior year.

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 £398,879,093 (PY: £398,626,649) at 31 December 2021, with financing comprising of listed debt of £397,488,098 (PY: £397,225,297) which is repayable on 2 December 2029 and incurs interest of 4.125% per annum.

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	This is a sterling bond held under the Euro Medium Term Note programme. The company also has debtors due from group undertakings totalling £399,831,577 (PY: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 its subsidiaries and whether this entity will have the ability to repay their loans to the company. The intercompany debtors comprise 99.3% (PY: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 1 to 3, directors' report on pages 6 to 8 and notes 3 and 10 to the financial statements.
How the scope of our audit responded to the key audit matter	We inspected 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 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 and evaluating the latest available audited financial information 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 2022 to assess whether CRH plc has sufficient resources to support the company.

	We obtained the latest available audited financial statements for CRH (UK) Ltd and confirmed a net asset position of £318,637,725. We evaluated the appropriateness of disclosure made in note 3 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	£495,000 (2020: £82,500)
Basis for determining materiality	3% (2020: 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. The change in the percentage applied in determining materiality was based on the following considerations: a) This is a second year audit; and b) The entity is non-complex with limited transactions which are consistent and predictable year-on-year.

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 2021 audit (2020: 70%). In determining performance materiality, we considered the following factors:

a. The nature of the entity and its control environment
b. Our understanding of key business processes

c. Our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods

6.3. Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £24,750 (2020: £4,125), 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.

7.2. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the entity's business and its financial statements.

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 contained within the annual report.

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

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 also 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. These included the Bribery Act.

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, reviewing internal audit reports 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 ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 2 years, covering the years ending 31 December 2020 to 31 December 2021.

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:

R Duffy

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Ryan Duffy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

Date: 27-Apr-2022

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CRH Finance (U.K.) plc

Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Interest receivable and similar income	5	20,582,858	20,638,803
Interest payable and similar expenses	6	(16,762,812)	(16,752,160)
Net interest income		3,820,046	3,886,643
Administrative expenses		(3,642,643)	(3,642,808)
Profit before tax		177,403	243,835
Tax on profit	9	(33,708)	(46,328)
Profit for the year after tax		143,695	197,507

The above results were derived from continuing operations.

The notes on pages 22 to 31 form an integral part of these financial statements.

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CRH Finance (U.K.) plc

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
Profit for the year	143,695	197,507
Other comprehensive income	-	-
Total comprehensive income for the year	143,695	197,507

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CRH Finance (U.K.) plc

(Registration number: 02153217)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Non current assets			
Debtors	10	396,960,000	396,960,000
Current assets			
Debtors	10	2,871,577	2,475,438
Current liabilities			
Creditors: amounts falling due within one year	11	(1,390,995)	(1,401,352)
Net current assets		1,480,582	1,074,086
Total assets less current liabilities		398,440,582	398,034,086
Non-current liabilities			
Creditors: amounts falling due after one year	12	(397,488,098)	(397,225,297)
Net assets		952,484	808,789
Capital and reserves			
Share capital	14	50,000	50,000
Profit and loss account	15	902,484	758,789
Shareholder's funds		952,484	808,789

27-Apr-2022

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

DocuSigned by:

Andrew Donnan

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AJW Donnan
Director

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CRH Finance (U.K.) plc

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

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

	Share capital £	Profit and loss account £	Total £
At 1 January 2021	50,000	758,789	808,789
Profit and other comprehensive income for the year	-	143,695	143,695
At 31 December 2021	50,000	902,484	952,484

The notes on pages 22 to 31 form an integral part of these financial statements.

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1 General information

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

The address of its registered office is:
Portland House
Bickenhill Lane
Birmingham
England
B37 7BQ

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 5.

2 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 2021 were authorised for issue by the board of directors 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.

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 transactions during the year have been translated at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated to Sterling at the rates of exchange ruling at the balance sheet date. The resulting profits and losses are dealt with in the Profit and Loss Account.

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

The results of 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 3.

3 Accounting policies

Basis of preparation of financial statements
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.

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3 Accounting policies (continued)

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

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

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

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

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

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

Where required, equivalent disclosures are given in the group accounts of CRH plc. The group accounts of CRH plc are available to the public and can be obtained as set out in note 17.

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3 Accounting policies (continued)

Changes in accounting policy
New standards, interpretations and amendments effective
The following have been applied for the first time from 1 January 2021 and did not have a material effect on the financial statements:

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

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

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

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

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

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

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

Interest 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.

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3 Accounting policies (continued)

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

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

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

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

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

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3 Accounting policies (continued)

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.

Borrowing costs

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred (unless capitalised as part of the cost of property, plant and equipment).

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.

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

The following are areas of judgement:

Recoverability of debt

Management are required to make judgements and estimates in assessing the recoverability of outstanding debts. All outstanding debts are amounts owed by fellow group undertakings (note 10), and therefore in making such judgements and estimates management are able to utilise information on its group counterparty in much the same way as when they are assessing investments for impairment. Assessing the likelihood of recoverability of any debt relies on similar assumptions regarding the debtor's net assets and estimated future cash flows. These assumptions and conditions reflect management's best estimates, but they involve inherent uncertainties, many of which are not under management's control. As a result, the accounting for such debts may be different had management used different assumptions or if different conditions were to occur in future accounting periods.

Following this assessment, a provision for irrecoverability will be recognised against any debt to the extent that management do not expect that debt to be recovered.

There are no matters of estimation uncertainty that require disclosure in these financial statements.

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5 Interest receivable and similar income

	2021 £	2020 £
Bank interest receivable	102	37
Interest receivable from Group undertakings	20,582,756	20,638,766
	20,582,858	20,638,803

6 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	11	-
Interest payable on bonds	16,500,000	16,500,000
Amortisation of capitalised bond fees	262,801	252,160
	16,762,812	16,752,160

7 Operating profit

Auditor’s remuneration costs for the audit of the Company's financial accounts of £12,000 (2020: £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 Euronext Dublin.

8 Information regarding employees and Directors

During the year, no Director received any emoluments from the Company (2020: £nil). The emoluments of the Directors are paid by another group company as their services to the Company are incidental to their services provided to other group companies.

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

9 Tax on profit

Tax charged in the profit and loss account

	2021 £	2020 £
Current taxation		
Current tax on profits for the year	33,707	46,328
Adjustments in respect of prior years	1	-
	33,708	46,328

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

	2021 £	2020 £
Profit before tax	177,403	243,835
Tax at the standard UK corporation tax rate of 19% (2020: 19%)	33,707	46,328
Increase in current tax from adjustment for prior periods	1	-
Total tax charge	33,708	46,328

Group relief claimed from other Group companies registered within the UK is paid for at the prevailing rate of corporation tax for the year at 19% (2020: 19%).

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 change was substantively enacted on 24 May 2021 and no further changes to the Corporation Tax rate have been proposed.

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10 Debtors

	31 December 2021 £	31 December 2020 £
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	2,871,577	2,475,438
	399,831,577	399,435,438

Amounts due from group undertakings due after one year are a loan due from 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 which comprise of £2,030,043 of outstanding interest on the intercompany loan, along with £841,534 of group cashpool balances which are repayable on demand and attract interest of 0.09%.

Amounts due from group companies are unsecured.

11 Creditors: Amounts due in less than one year

	31 December 2021 £	31 December 2020 £
Amounts due to related parties - group relief	80,036	90,393
Interest payable on medium term loan	1,310,959	1,310,959
	1,390,995	1,401,352

Group relief amounts are non-interest bearing and will be settled within 18 months. As these amounts are not for continuing use in the entity's activities they are not deemed to be fixed in nature and as such have been presented in current liabilities.

The outstanding interest payable relates to the medium term loan described in note 12.

12 Creditors: Amounts falling due after more than one year

	31 December 2021 £	31 December 2020 £
Medium term loan repayable (note 13)	397,488,098	397,225,297

13 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 on 29 October 2015 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.

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13 Loans and borrowings (continued)

The Company along with other group companies has available a total of €3,500,000,000 committed facilities with a group of financial institutions (2020: €3,550,000,000). The Group successfully carried out an amendment of its €3,500,000,000 revolving credit facility in March 2021 whereby the Group extended the maturity date of the facility for a further year to 2026.

The maturity profile of the available and undrawn committed facilities in sterling at the balance sheet dates was:

	2021 £	2020 £
Within one year	-	-
Between one and two years	-	-
Between two and three years	-	44,900,000
Between four and five years	2,940,000,000	3,143,000,000
After five years	-	-
	2,940,000,000	3,187,900,000
Conversion rate - €/£	0.8400	0.8980

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.

14 Called up share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	£	No.	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

At 31 December 2021 the Company has authorised share capital of £100,000 divided into 100,000 shares of £1.

15 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.

16 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.

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17 Parent and ultimate parent undertaking

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

The ultimate parent and controlling party is CRH plc.

Relationship between entity and parents

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

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

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

18 Post balance sheet events

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