

**CRH FUNDING B.V.**

REPORT OF THE DIRECTOR  
AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2013

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## DIRECTOR'S REPORT

# 1 DIRECTOR'S REPORT

## 1.1 General

The principal business activities of CRH Funding B.V. ("the Company") consist of the supply or to procure the supply of finance to affiliated companies, as well as to draw or to procure the drawing of funding. The Company is a wholly owned subsidiary of CRH Nederland B.V., registered in Rijswijk ZH, The Netherlands and has its business office at Einsteinlaan 26, Rijswijk ZH, The Netherlands. The ultimate parent company is CRH plc, registered in 42 Fitzwilliam Square, Dublin 2, Ireland. CRH Funding B.V. is included in the consolidated financial statements of CRH plc. These latter financial statements can be obtained in the registered office of CRH plc in Ireland. The Company has been incorporated March 19<sup>th</sup>, 2013. In this first year after incorporation of the Company, no prior year comparative financial information has been included in the director's report and the financial statements.

## 1.2 2013 Results

The Company was founded in 2013. The company participates as an "Issuer" in the CRH Euro Medium Term Note Programme ("EMTN Programme") guaranteed by CRH plc. In 2013 the Company did not issue any notes.

## 1.3 Outlook for 2014 and beyond

The Company may issue notes under the EMTN Programme. The Company may also enter into syndicate loan facilities guaranteed by CRH plc. The Company may lend or make equity contributions to other members of the CRH plc group of companies (the "CRH Group").

## 1.4 Statement of Director's Responsibilities

Company law in the Netherlands requires the Directors to prepare financial statements for each financial period which 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 the financial statements of the Company, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Comply with Title 9 of book 2 Dutch Civil Code, and
- Comply with applicable International Financial Reporting Standards as adopted by the European Union, 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 proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements of the Company are prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union. 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.

## 1.5 Personnel

During the financial period the company had no personnel employed.

## 1.6 Risk management

The Board of Directors refers to note "Capital and Financial Risk Management" as included in the financial statements for a report on Companies risk management.

To the best of the CRH Funding B.V. Board of Director's knowledge the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss for the financial period and the Director's report gives a true and fair view of the situation at the balance sheet date, the development of the business during the financial period of the Company.

Rijswijk, 30 April 2014

On behalf of the Director

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CRH Nederland B.V.

Director

F.V. Irazusta Rodriguez

Director

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CRH Nederland B.V.

Director

C.J.M. Verburg

Director

## FINANCIAL STATEMENTS

## 2 FINANCIAL STATEMENTS

### 2.1 Income Statement

for the financial period ended 31 December 2013

|  | 2013       |
|--|------------|
| Notes                                  | €'000      |
| 1,2,3 Operating costs                  | (8)        |
| <b>Operating result</b>                | <b>(8)</b> |
| Finance costs                          | -          |
| Finance income                         | -          |
| <b>Result before tax</b>               | <b>(8)</b> |
| 4 Income Tax                           | 2          |
| <b>Result for the financial period</b> | <b>(6)</b> |

### 2.2 Statement of Comprehensive Income

for the financial period ended 31 December 2013

|  | 2013       |
|--|------------|
| Notes  | €'000      |
| <b>Result for the financial period</b>                     | <b>(6)</b> |
| Other comprehensive income:                                | -          |
| <b>Total comprehensive income for the financial period</b> | <b>(6)</b> |
| Attributable to:   |            |
| <b>Equity holders of the Company</b>                       | <b>(6)</b> |

## 2.3 Statement of Cash flows

for the financial period ended 31 December 2013

|   | <b>2013</b>      |
|---|------------------|
| Notes   | €'000            |
| <b>Cash flows from operating activities</b>                 |                  |
| Result before tax   | (8)              |
| Net movement on working capital and provisions              | 8                |
| Interest paid   | -                |
| Corporation Tax paid / received                             | -                |
| <b>Net cash flows from operating activities</b>             | <u>-</u>         |
| <br>  |                  |
| <b>Cash flows from investment activities</b>                |                  |
| Interest received   | -                |
| <b>Net cash flows from investment activities</b>            | <u>-</u>         |
| <br>  |                  |
| <b>Cash flows from financing activities</b>                 |                  |
| Shares issued   | 10               |
| Increase in interest bearing loans, borrowings              | -                |
| Net cash flow arising from derivative financial instruments | -                |
| Repayments of interest bearing loans, borrowings            | -                |
| <b>Net cash flows from financing activities</b>             | <u>10</u>        |
| <br>  |                  |
| <b>Movement in cash and cash equivalents</b>                | <u><u>10</u></u> |



## 2.4 Financial Position (after profit appropriation)

for the financial period ended 31 December 2013

|   | 2013      |
|---|-----------|
| Notes                                   | €'000     |
| <b>ASSETS</b>                           |           |
| <b>Non-current assets</b>               |           |
| Financial assets                        | -         |
| Other receivables                       | -         |
| <b>Total non-current assets</b>         | <b>-</b>  |
| <b>Current assets</b>                   |           |
| 4 Other receivables                     | 2         |
| 5 Cash and cash equivalents             | 10        |
| <b>Total current assets</b>             | <b>10</b> |
| <b>TOTAL ASSETS</b>                     | <b>12</b> |
| <b>EQUITY</b>                           |           |
| 6 Equity share capital                  | 10        |
| Share premium account                   | -         |
| Other reserves                          | -         |
| Foreign currency translation reserve    | -         |
| Retained income                         | (6)       |
| <b>Shareholders' equity</b>             | <b>4</b>  |
| <b>LIABILITIES</b>                      |           |
| <b>Non-current liabilities</b>          |           |
| Provisions for liabilities and charges  | -         |
| 7 Interest-bearing loans and borrowings | -         |
| Derivative financial instruments        | -         |
| <b>Total non-current liabilities</b>    | <b>-</b>  |
| <b>Current liabilities</b>              |           |
| Provisions for liabilities and charges  | -         |
| 7 Interest-bearing loans and borrowings | -         |
| Other payables                          | 8         |
| <b>Total current liabilities</b>        | <b>8</b>  |
| <b>Total liabilities</b>                | <b>8</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <b>12</b> |

## 2.5 Statement of Changes in Equity

for the financial period ended 31 December 2013

|                                 | Share capital | Retained income | Total      |
|---------------------------------|---------------|-----------------|------------|
|                                 | €'000         | €'000           | €'000      |
| Incorporation March 19, 2013    | (10)          | -               | (10)       |
| Result for the financial period | -             | 6               | 6          |
| <b>Balance at 31 December</b>   | <b>(10)</b>   | <b>6</b>        | <b>(4)</b> |

## 2.6 General

The principal business activities of CRH Funding B.V. ("the Company") consist of the supply or to procure the supply of finance to affiliated companies, as well as to draw or to procure the drawing of funding. The Company is a wholly owned subsidiary of CRH Nederland B.V., registered in Rijswijk ZH, The Netherlands and has its business office at Einsteinlaan 26, Rijswijk ZH, The Netherlands. The ultimate parent company is CRH plc, registered in 42 Fitzwilliam Square, Dublin 2, Ireland. CRH Funding B.V. is included in the consolidated financial statements of CRH plc. These latter financial statements can be obtained in the registered office of CRH plc in Ireland. The Company has been incorporated March 19th, 2013. In this first year after incorporation of the Company, no prior year comparative financial information has been included in the director's report and the financial statements.

## 2.7 Accounting Policies

### *Statement of compliance*

The financial statements of the Company have been prepared in accordance with Title 9 of book 2 of the Dutch Civil Code and International Financial Reporting Standards (IFRS) as adopted by the European Union (in accordance with Article 362 clause 8, Title 9 of Book 2 of the Dutch Civil Code), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

### *Basis of preparation*

The Financial Statements, which are presented in euro thousands, have been prepared under the historical cost convention as modified by the measurement at fair value of certain financial assets and liabilities including derivative financial instruments<sup>1</sup>. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

Adoption of IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The following standards have been applied during the financial period:

- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Presentation
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement

IFRS and IFRIC interpretations being adopted in subsequent years:

- IFRS 9 Financial Instruments as issued reflects the IASB's work on the replacement of IAS 39 Financial Instruments: Recognition and Measurement and applies to the classification and measurement of financial assets and liabilities as defined in IAS 39 and the application of hedge accounting. The Company will assess the impact of IFRS 9 when the final standard including all phases is issued.
- IAS 32 Financial Instruments - Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January 2014
- The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.
- As the Company is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment will not have an impact on the presentation of the financial assets and financial liabilities. The amendments become effective for financial years beginning on or after 1 January 2014.

<sup>1</sup> During 2013 the company did not employ any derivative financial instruments.

There are no other IFRS or IFRIC interpretations that are effective subsequent to the financial period-end that would have a material impact on the Company.

#### *Key Accounting Policies which involve Estimates, Assumptions and Judgments*

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

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

#### *Provisions for liabilities*

A provision is recognised when the Company has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where

the Company anticipates that a provision will be reimbursed; the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. The expense relating to any provision is presented in the Income Statement net of any reimbursement. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

#### *Taxation - current and deferred*

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

Deferred tax is recognised using the liability method on temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. No provision has been made for temporary differences as the Company is not in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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 Company's income tax is based on reported results and expected statutory tax rates, which reflect various allowances and reliefs and tax planning opportunities available to the Company in the tax jurisdiction in which it operates. The determination of the Company's provision for income tax requires certain judgments 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 judgment 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.

#### *Other financial assets*

All investments are initially recognised at the fair value of the consideration given plus any directly attributable transaction costs. Where equity investments are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. Unquoted equity investments are recorded at historical cost and are included within financial assets in the Financial Position given that it is impracticable to determine fair value in accordance with IAS 39 Financial Instruments: Recognition and Measurement. Where non-derivative financial assets meet the definition of "loans and receivables" under IAS 39, such balances are, following initial recognition, recorded at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the Income Statement when the loans and receivables are derecognised or impaired as well as through the amortisation process.

#### *Other receivables*

Other receivables are carried at original invoice amount less an allowance for potentially uncollectible debts. Provision is made

when there is objective evidence that the Company will not be in a position to collect the associated debts. Bad debts are written-off in the Income Statement on identification.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are included within current interest-bearing loans and borrowings in the Statement of Financial Position. Where the overdrafts are repayable on demand and form an integral part of cash management, they are netted against cash and cash equivalents for the purposes of the Statement of Cash Flows.

#### *Liquid investments*

Liquid investments comprise short-term deposits and current asset investments which are held as readily disposable stores of value and include investments in government gilts and commercial paper and deposits of less than one year in duration. As the maturity of these investments is greater than three months, these investments are treated as financial assets and are categorised as either "held-for-trading" or "loans and receivables". Where relevant, the fair value of liquid investments is determined by reference to the traded value of actively traded instruments.

#### *Derivative financial instruments and hedging practices*

In order to manage interest rate and foreign currency risks and to realise the desired currency profile of borrowings, the Company may employ derivative financial instruments (principally interest rate swaps, currency swaps and forward foreign exchange contracts).

At the inception of a derivative transaction, the Company documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Company also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedging instrument in offsetting movements in the fair values or cash flows of the hedged items.

Derivative financial instruments are stated at fair value. Where derivatives do not fulfil the criteria for hedge accounting, changes in fair values are reported in the Income Statement. The fair value of interest rate and currency swaps is the estimated amount the Company would pay or receive to terminate the swap at the balance sheet date taking into account interest and currency rates at that date, the creditworthiness of the swap counterparties and the own credit risk. The fair value of forward exchange contracts is calculated by reference to forward exchange rates for contracts with similar maturity profiles and equates to the quoted market price at the balance sheet date (being the present value of the quoted forward price).

#### *Fair value and cash flow hedges*

The Company may use fair value hedges and cash flow hedges in its treasury activities. For the purposes of hedge accounting, hedges are classified either as fair value hedges (which entail hedging the exposure to movements in the fair value of a recognised asset or liability or an unrecognised firm commitment that could affect profit or loss) or cash flow hedges (which hedge exposure to fluctuations in future cash flows derived from a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss).

Where the conditions for hedge accounting are satisfied and the hedging instrument concerned is classified as a fair value hedge, any gain or loss stemming from the re-measurement of the hedging instrument to fair value is reported in the Income Statement. In addition, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the Income Statement with the objective of achieving full amortisation by maturity.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective part of any gain or loss on the derivative financial instrument is recognised as other comprehensive income, net of the income tax effect, with the ineffective portion being reported in the Income Statement. The associated gains or losses that had previously been recognised as other comprehensive income are transferred to the Income Statement contemporaneously with the materialisation of the hedged transaction. Any gain or loss arising in respect of changes in the time value of the derivative financial instrument is excluded from the measurement of hedge effectiveness and is recognised immediately in the Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised as other comprehensive income remains there until the forecast transaction occurs. If a hedged transaction is no longer anticipated to occur, the net cumulative gain or loss previously recognised as other comprehensive income is transferred to the Income Statement in the period.

#### *Interest-bearing loans and borrowings*

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. 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. Fixed rate term loans, which have been hedged to floating rates (using interest rate swaps), are measured at amortised cost adjusted for changes in value attributable to the hedged risks arising from changes in underlying market interest rates. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Gains and losses are recognised in the Income Statement through amortisation on the basis of the maturity of the loans and

borrowings.

Borrowing costs arising on financial instruments are recognised as an expense in the period in which they are incurred.

#### *Foreign currency translation*

The Financial Statements are presented in euro, which is the presentation currency of the Company.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the Income Statement.

The principal exchange rates used for the translation of results, cash flows and balance sheets into euro were as follows:

| EUR 1 = | Period end rates<br><b>2013</b> |
|---------|---------------------------------|
| USD     | 1.3791                          |
| GBP     | 0.8337                          |
| CHF     | 1.2276                          |

## **2.8 Notes on the Income Statement and Financial Position**

### **2.8.1 Operating Costs and auditor's remuneration**

In operating costs is included:

|  | <u><b>2013</b></u> |
|--|--------------------|
|  | <u>€'000</u>       |
| Administrative expenses incorporation of the Company | (2)                |
| Audit fees EY (no other services are provided by EY) | (6)                |
|  | <u>(8)</u>         |

### **2.8.2 Personnel**

During the financial period the company had no personnel employed. In the income statement, no costs have been taken up in regards to wages, salaries and pensions.

### **2.8.3 Director's remuneration**

CRH Nederland B.V. is the only board member of the company. CRH Nederland B.V. does not receive any (deferred) compensation or benefit for its board membership.

### **2.8.4 Taxation**

By resolution dated April 19, 2014 the Company is, effectively as from March 19, 2014, member of a Dutch fiscal unity for Corporate Income Tax headed by CRH International B.V.; the standard conditions stipulate that each of the companies is liable for the Income Tax payable by all companies belonging to the fiscal unity.

A tax gain is recognized in the income statement – the related tax receivable are presented as a receivable on CRH International B.V., being the head of the fiscal unity, in other receivables.

### **2.8.5 Cash and Cash Equivalents**

The fair values of cash and cash equivalents are based on their carrying amounts, which constitute a reasonable approximation of fair value.

### **2.8.6 Shareholder's Equity**

Share capital

With reference to Article 4 and the clauses included at the end of the deed of incorporation of the Company, it was stated that the authorised share capital of the Company consists of 10 shares of €1.000,00 each.

## 2.8.7 Interest – bearing loans and borrowings

### *Loans and borrowings outstanding*

|                                       | <b>2013</b> |
|---------------------------------------|-------------|
|                                       | €'000       |
| Bank overdrafts                       | -           |
| Bank loans                            | -           |
| Bonds and private placements          | -           |
| Interest-bearing loans and borrowings | -           |
|                                       | -           |

### *Maturity profile of undrawn committed facilities*

|                              | <b>2013</b>                                 |
|------------------------------|---|
|                              | Undrawn<br>committed<br>facilities<br>€'000 |
| Within one year              | -   |
| Between one and two years    | -   |
| Between two and three years  | -   |
| Between three and four years | 85.000                                      |
| Between four and five years  | 125.000                                     |
| After five years             | -   |
| Total                        | <b>210.000</b>                              |

#### Facilities:

In December 2013 the Company, along with other CRH plc group companies entered into two Multicurrency revolving facility agreements. These committed facilities, guaranteed by CRH plc remained undrawn by the Company at 31 December 2013.

#### Guarantees:

The lending banks have received letters of guarantee from CRH plc to secure obligations in respect of the committed facilities.

#### Lender covenants:

The committed facilities require CRH plc to maintain certain financial covenants. Non-compliance with financial covenants would give the relevant lenders the right to terminate these facilities and demand early repayment of any sums drawn thereunder thus altering the maturity profile of the Company's undrawn committed facilities. Calculations for financial covenants are completed for twelve-month periods half-yearly on 30 June and 31 December. CRH plc was in full compliance with its financial covenants throughout each of the periods presented. CRH plc is not aware of any stated events of default as defined in the agreements.

## 2.8.8 Capital and Financial Risk Management

### *Overall summary*

The primary objective of the Company's capital management strategy is to ensure that the Company maintains an effective financial standing to be able to perform its principal business activities by organising CRH plc corporate guarantees around the debt balance. In this respect risk management is being performed by CRH plc.

The capital structure of the Company, which comprises net cash and capital and reserves attributable to the Company's equity holders, may be summarised as follows:

|   | <b>2013</b> |
|---|-------------|
|   | €'000       |
| Capital and reserves attributable to the Company's equity holders | 6           |
| Net cash  | (10)        |
| Capital and net cash  | <b>(4)</b>  |

The corporate treasury function of CRH plc provides services to the Company, co-ordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company.

### *Credit/counterparty risk*

Credit risk is managed by the CRH plc corporate treasury function by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of these ratings. Acceptable credit ratings are high investment-grade ratings - generally counterparties have ratings of A2/A or higher from Moody's/Standard & Poor's ratings agencies. The maximum exposure arising in the event of default on the part of the counterparty (including insolvency) is the carrying value of the relevant financial instrument.

### *Liquidity risk*

The undrawn committed facilities available to the Company as at the balance sheet date are quantified in note "Interest – bearing loans and borrowings"; these facilities are available from highly-rated financial institutions thus minimizing any potential exposure arising from concentrations in borrowing sources. Liquidity risk is deemed to be not significant.

*Foreign currency risk*

The company's activities may be conducted in various currencies of countries in which CRH operates. Foreign currency risk is deemed to be not significant.

**2.8.9 Financial instruments**

The financial instruments of the Company may be summarised as follows:

|  | <b>2013</b>  |
|--|--------------|
|  | <u>€'000</u> |
| Financial assets:                                    |              |
| Financial asset at fair value through profit or loss | 10           |
| Held-to-maturity investments                         | -            |
| Loans and receivables                                | 2            |
| Available-for-sale financial assets                  | -            |
| Financial liabilities:                               |              |
| Financial liability at amortized costs               | (8)          |
| Other  | -            |
| Total financial instruments                          | <u>4</u>     |

The fair value is deemed to approximate their carrying amounts due to the short-term nature of these financial instruments.

## OTHER INFORMATION



## Independent auditor's report

To: the shareholder of CRH Funding B.V.

### Report on the financial statements

We have audited the accompanying financial statements 2013 of CRH Funding B.V., Rijswijk, which comprise the statement of financial position as at 31 December 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of the significant accounting policies and other explanatory information.

#### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### *Opinion with respect to the financial statements*

In our opinion, the financial statements give a true and fair view of the financial position of CRH Funding B.V. as at 31 December 2013 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

## **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the director's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the director's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Zwolle, 30 April 2014

Ernst & Young Accountants LLP

signed by A.E. Wijnsma

### **3.2 Appropriation of Result**

According to Article 23 Section 1 of the company's articles of association, the annual meeting of shareholders determines the appropriation of the company's result for the period. The directors of CRH Funding B.V. propose that the result for the financial period 2013 to be deducted from equity.

### **3.3 Board approval**

The Board of Directors approved and authorised for issuing, the Financial Statements as included on pages 6 to 14 on 30 April 2014.