

Registered number 02153217

CRH Finance (U.K.) plc

Annual Report and Financial Statements

for the year ended 31 December 2019

CRH Finance (U.K.) plc

Company information

Directors	AJW Donnan T Healy KE Smart
Company Secretary	Tarmac Secretaries (UK) Limited
Registered number	02153217
Registered office	Portland House Bickenhill Lane Birmingham England B37 7BQ
Auditor	Ernst & Young LLP One Cambridge Business Park, Cambridge CB4 0WZ

CRH Finance (U.K.) plc

Contents

Strategic report	1
Directors' report	6
Directors' responsibilities statement	8
Independent auditor's report	9
Profit and loss account	15
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Notes to the financial statements	18

CRH Finance (U.K.) plc

Strategic report

for the year ended 31 December 2019

Introduction

The Directors of CRH Finance (U.K.) plc (the “Company”) present their strategic report for the year ended 31 December 2019.

Business review

The Company's principal activity consists of borrowing monies and lending monies to group companies. During the year Cities UK Limited repaid all amounts it owed to the Company and the funds were subsequently lent by the Company to CRH (UK) Limited. The results for the year ended 31 December 2019 show a profit after tax of £187,855 (2018: £243,433). Net assets amount to £611,282 at 31 December 2019 (2018: £423,427).

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

Principal risks and uncertainties

The principal risks are set out below.

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

Financial risk management objectives and policies

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

The main risks attached to the Company - financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Interest rate risk

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

Credit risk

Debtor balances give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its credit rating and by regular review of this rating. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the financial assets as reported in the balance sheet. The impact of Covid-19 is addressed in the Directors' report.

Liquidity risk

The Company is exposed to liquidity risk which arises primarily from the maturing of short term and long term debt obligations. The Company's policy is to ensure that sufficient resources are available either from cash balances, cash flows from other group companies or undrawn committed bank facilities, to ensure all obligations can be met as they fall due. The impact of Covid-19 is addressed in the Directors' report.

CRH Finance (U.K.) plc

Strategic report (continued)

for the year ended 31 December 2019

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

Withdrawal of the United Kingdom from the European Union

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

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. Since the year end, COVID-19 has since spread globally and on 11 March 2020 the World Health Organization ('WHO') declared COVID-19 a pandemic. The spread of the COVID-19 outbreak has caused severe disruptions to the global economy and financial markets and could potentially create widespread business continuity issues of an as yet unknown magnitude and duration. Many countries have reacted by instituting quarantines, mandating business and school closures and restricting travel. Many experts have predicted that the outbreak is triggering a period of global economic slowdown or a global recession. The possible impact on the Company of this situation is set out in the "Events after the balance sheet date" section in the directors' report.

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 2019 and 2018. 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.

	2019	2018
	%	%
Net interest margin	1.04	1.01

Section 172 Report

The Companies (Miscellaneous Reporting) Regulations 2018 (the "**Regulations**") have been in force with effect from 1 January 2019. The Regulations aim to extend sustainable and responsible governance practice beyond listed companies to private limited companies. Amongst other things, the Regulations require the Company to report how the directors of the Company have considered their duties under section 172 (of the Companies Act 2006 (the "**Act**")) ("**Section 172**"), to promote the success of the Company, during the reporting period.

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

CRH Finance (U.K.) plc

Strategic report (continued)

for the year ended 31 December 2019

As part of the overall governance approach, the Group recognises the need to have appropriate levels of governance across its subsidiaries as part of its approach to risk mitigation. The Group maintains strong levels of governance at both an enterprise wide and legal entity level, and as a result of increased regulation, CRH and its UK subsidiary boards recognise the need to formalise and implement key standards across its UK subsidiaries. As such the Company intends to, during the course of 2020, adopt a UK subsidiary governance policy (the “**Policy**”), which provides detailed guidance for directors and management on the application and execution of Section 172 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 which impact the Company’s key stakeholders. Responsibility for decision making on certain decisions, including principal decisions, is delegated to the board of CRH except where they cannot be delegated under the Act. The Board confirms and ratifies any decisions made on its behalf.

As part of the governance process, board paper preparers must ensure sufficient information is provided to the Board with high levels of quality and integrity. The governance process provides a framework to ensure everyone involved in and contributing to the decision making process understands the duties which the directors are obligated to consider in the decision making process and applicable regulations, in order to be able to provide relevant information and therefore lead to effective decision making. These governance processes will be formalised in the Policy.

Directors’ Training

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

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

During the year external training sessions, facilitated by the Company Secretary, were provided to the Board to support them in discharging their roles and responsibilities as statutory directors. This included training on directors’ statutory duties under the Act, along with an update on the Regulations and wider regulatory responsibilities. Under the Policy, all newly appointed directors will receive director training within 3 months of being appointed and all directors will refresh their training at least once every calendar year. The provision of training will be facilitated by the Company Secretary.

Board Composition

The Company’s Board, which comprises three directors, collectively have a broad range of skills, knowledge and industry experience including general management, finance and legal 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. The Board’s collective experience enables them to consider a broad range of stakeholders in their deliberations and decision making and align the decisions to the corporate purpose of the Company in providing financial support to other companies within the Group.

CRH Finance (U.K.) plc

Strategic report (continued)

for the year ended 31 December 2019

Before any director is to be appointed to the Board, consultation with the Group is undertaken to ensure the composition of the Board is appropriate, taking into consideration the skills and experience of the appointee and the overall diversity mix.

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, creditors and other Group companies which it provides support to. As part of the Group, the Board must consider how the decisions made on behalf of the Company affect both the shareholder and the other Group companies to ensure the success of the Company and value creation for the shareholder and ultimately, CRH. The Group's treasury activities are coordinated through a central function who manage the financial risks of the Group and secure funding for the Group. On behalf of the Company, the Group frequently engages with its creditors and credit agencies as part of the Group's financial risk management processes and to ensure the Company's levels of borrowings are appropriate for its needs.

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 where the decision has been delegated. The impact assessment will provide an assessment of 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. On an annual basis, the Board will review and confirm the Company's key stakeholders, recording how the directors formed the opinion that they are key stakeholders.

Principal Decisions

The Board and the board of CRH have the necessary skills and experience required to identify the impacts of their decisions on the Company's stakeholders, and where relevant, the likely consequences of the decisions in the long-term.

In line with the Regulations and in accordance with the approach taken during the financial year under review, the following principal decisions were made:

- consideration of the Company's ongoing own capital and funding requirements in light of the Company's operations and function in the CRH sub-group in the UK, including consideration of COVID-19 (see Principal risks and uncertainties section). In making its decision in this regard, the Board received and considered reports on the merits of the proposed capital changes and the effects it would have for the Company in maintaining its ongoing operations and to continue to provide support to other intragroup companies. The consequences of the Company's financing needs were considered, including the long-term impact on both the Company and those in which the Company provided financial support to, which were considered to create value for the Group and the shareholder in line with the corporate purpose of the Company.
- the provision of financing support to other intragroup companies in order to facilitate their ongoing operations in line with the Company's role as a finance company within the CRH Group structure. In making its decisions, the Board considered detailed reports along with consideration of the Company's expected cash flows, its financing requirements and operating risks. In addition, the long-term consequences of the continued provision of financial support to other group companies was considered, where it was noted it would help to ensure the success of the Company and creation of value for the Group and the shareholder in line with the corporate purpose of the Company.

CRH Finance (U.K.) plc
Strategic report (continued)
for the year ended 31 December 2019

This report was approved by the board on 30 April 2020 and signed on its behalf.

DocuSigned by:

Andrew Donnan

.....
209394076A0044D...

Andrew Donnan
Director

CRH Finance (U.K.) plc

Directors' report for the year ended 31 December 2019

The Directors of CRH Finance (U.K.) plc (the "Company") present their report and accounts for the year ended 31 December 2019. The accounts have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Policies), including Financial Reporting Standards 101 'Reduced Disclosure Framework'.

Results and dividends

The result for the year, after taxation, amounted to £187,855 (2018: £243,433). No dividends were paid out during 2019 (2018: £nil).

Directors

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

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

The Directors of the Company are covered by the CRH group Directors and Officers Liability insurance. The insurance provides indemnity in respect of claims made against the Directors and Officers and/or employees of CRH for any actual alleged error, misstatement, omission, wrongful act, breach of duty or misleading statement for which cover applies.

Future developments

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

Financial instruments

The main risks associated with the Company's financial assets and liabilities are described in the strategic report.

Events after the balance sheet date

Having considered the possible impact of the COVID-19 pandemic, the Board has taken into account the nature of the Company's activities which consist of the provision of finance to other CRH companies and being the holder of listed debt. The Directors have determined that based on recent trading of the CRH Group the pandemic is not expected to have a significant impact on the Company's business. The Directors will monitor the situation constantly and take any necessary actions to minimise the possible impacts of COVID-19. The CRH Group is in a strong financial position to navigate the economic impact of the current situation and will continue to provide guarantee over the liabilities of the Company. As a consequence, the Company does not envisage that a material change will be required to any expected credit loss provisions on amounts due from other group undertakings based on recent trading updates and related recoverability or other provisions.

Political donations

The Company made no donations to political parties during the year ended 31 December 2019 (2018: £nil).

CRH Finance (U.K.) plc

Directors' report (continued)

for the year ended 31 December 2019

Going concern

The Company's business activities, together with the principal risks and uncertainties likely to affect its future performance, are described in the Strategic Report. The Company is financed by medium term sterling bonds. The Company's forecast and projections, taking into account possible changes in performance, show the Company is reliant on adequate financial resources being made available to enable the Company to continue for the foreseeable future. The Company has been provided with a group guarantee from CRH plc for its borrowings.

After making enquiries, where updated forecasts reflecting the impact of COVID-19 are not yet available, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future with the Company borrowings guaranteed by CRH PLC. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

As outlined above and in Note 16 to the financial statements, the Directors do not anticipate a material impact on the going concern status of the Company stemming from the COVID-19 pandemic.

Disclosure of information to auditors

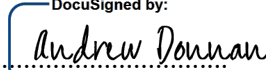
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report and of which the auditors are unaware. Having made enquiries of fellow Directors and the Company auditors, each Director have taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Following legislative changes requiring the mandatory rotation of audit firms, Ernst & Young LLP will resign as auditor of CRH plc, the Company's ultimate parent company, after the completion of the parent accounts for the year ended 31 December 2019.

Ernst & Young LLP will also resign as auditor of the Company following the completion of the Company's accounts for the year ended 31 December 2019 and will therefore cease to hold office. The Company intend to appoint Deloitte LLP as the Company's auditor in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 30 April 2020 and signed on its behalf.

DocuSigned by:

.....
Andrew Donnan
209394076A0044D...
Director

CRH Finance (U.K.) plc

Directors' responsibilities statement

for the year ended 31 December 2019

The Directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

CRH Finance (U.K.) plc

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

Opinion

We have audited the financial statements of CRH Finance (U.K.) Plc for the year ended 31 December 2019 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 16 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> • Going concern and recoverability of intercompany receivables
Materiality	<ul style="list-style-type: none"> • Overall materiality of £82,500 which represents 0.5% of interest on the bond of £16.5m.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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 our opinion thereon, and we do not provide a separate opinion on these matters.

CRH Finance (U.K.) plc

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

Risk	Our response to the risk	Key observations communicated to those charged with governance
<p>Going concern and the recoverability of intercompany debtor (£398,933,652, PY comparative £397,656,481)</p> <p><i>Refer to Note 2 Accounting policies (page 18); and Note 8 of the Financial Statements (page 23)</i></p> <p>The company raised £400 million through the issue of sterling bonds with a fourteen-year term which pay a fixed interest rate of 4.125% payable annually in arrears. These bonds are listed on the Irish Stock Exchange. The funds generated from this loan note have been lent to other companies within the CRH Group to fund operations resulting in an Intercompany receivable of £400m due from CRH (UK) Limited.</p> <p>The ability of the company to repay the bond as well as the interest thereon as it falls due depends, in the first instance, on the ability of the counterparty to the intercompany debtor to repay it when it falls due on 2 December 2029.</p> <p>In the event that the counterparty is not able to repay the debt, the ultimate parent company would need to support the company. The Directors have requested, and received, a letter of support from the ultimate parent company.</p> <p>The ability of the company to prepare its accounts on a going concern basis is dependent on the ability of the ultimate parent to stand behind the letter of support.</p> <p>As such, going concern and the recoverability of the intercompany debtor is considered to be a Key Audit Matter.</p> <p>The company's policy to ensure credit worthiness of the debtor is to review annually the ability of the counterparty to repay the obligation. When the counterparty does not have the ability to repay the entire debt an allowance for expected credit loss is recognised.</p> <p>Management has concluded that the intercompany balance is recoverable based on the underlying financial performance and position of CRH (UK) Limited.</p>	<p>In order to assess the appropriateness of the Directors' conclusion that financial statements should be prepared on a going concern basis as well with regards to the recoverability of the intercompany debtor, we:</p> <ul style="list-style-type: none"> • Assessed the credit worthiness of the counterparty by obtaining their audited financial statements and comparing the intercompany debtor balance as against the net assets of the counter-party. • Obtained a copy of the letter of support from the Directors of the ultimate parent company to the Directors of the company. • Confirmed that the terms of the bond agree to those in the underlying agreements. • Obtained the financial statements of the ultimate parent company and reviewed its latest market announcements and trading updates to establish that it has sufficient resources to support the company if required to do so. • Consulted with Ernst & Young as the auditor of CRH plc to assess whether CRH plc has sufficient resources to support the company if required to do so. <p>We have audited the disclosures in respect of the intercompany receivables and going concern in the financial statements.</p>	<p>Based on the procedures we performed, we concur with Directors' assessment that there is no expected credit loss to be recognised.</p> <p>We have concluded that the disclosures in respect of going concern and the recoverability of intercompany receivables in the financial statements are appropriate and we concur with Directors' assessment that it remains appropriate to prepare the financial statements on a going concern basis.</p>

CRH Finance (U.K.) plc

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

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Changes from the prior year

There were no changes in scope from the prior year audit.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £82,500 (2018: £82,500), which is 0.5% (2018: 0.5%) of interest paid on the bond of £16.5m. We believe that interest paid provides us with a consistent year on year basis for determining materiality and is the most relevant performance measure to the stakeholders of the entity.

During the course of our audit, and at completion, we reconfirmed that the initial calculation of materiality was appropriate.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2018: 75%) of our planning materiality, namely £61,875 (2018: £61,875). We have set performance materiality at this percentage to ensure that total detected and undetected audit differences do not exceed our planning materiality for the financial statements as a whole.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial. We report all uncorrected audit differences in excess of £4,125 (2018: £4,125), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

CRH Finance (U.K.) plc

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

CRH Finance (U.K.) plc

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

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.

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant is Companies Act 2006.
- We understood how CRH Finance (U.K.) Plc is complying with those frameworks by: making enquiries of senior management and those charged with governance; obtaining an understanding of entity-level controls and considering the influence of the control environment; obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls; and reviewing correspondence with relevant regulatory authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by: discussing within the audit team: performing client acceptance/continuance procedures; reviewing financial information; identifying related parties, including circumstances related to the existence of a related party with dominant influence; obtaining an understanding of entity-level controls and considering the influence of the control environment; and considering the nature of the account and our assessment of inherent risk for relevant assertions of significant accounts.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved: enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, and whether such policies are formalized in a code of conduct; enquiring about the entity's methods of enforcing and monitoring compliance with such policies, if any; and inspecting correspondence, if any, with the relevant authorities.

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

CRH Finance (U.K.) plc

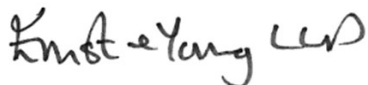
Independent auditor's report to the members of CRH Finance (U.K.) plc (continued)

Other matters we are required to address

- We were appointed by the company in 1987 to audit the financial statements for the year ending 31 December 1987 and subsequent financial periods.
The period of total uninterrupted engagement including previous renewals and reappointments is 33 years, covering the years ending 31 December 1987 to 31 December 2019.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee

Use of our report

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



*Ruth Logan (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date: 30 April 2020*

CRH Finance (U.K.) plc
Profit and loss account
for the year ended 31 December 2019

	Note	2019 £	2018 £
Interest receivable	5	20,616,658	20,615,560
Interest payable and similar charges	5	(16,741,950)	(16,831,102)
Net interest income		3,874,708	3,784,458
Administrative expenses	6	(3,642,788)	(3,642,127)
Other income	6	-	158,200
Profit before taxation		231,920	300,531
Tax on profit	7	(44,065)	(57,098)
Profit for the year after taxation		187,855	243,433

All amounts relate to continuing operations.

Statement of comprehensive income
for the year ended 31 December 2019

There was no other comprehensive income during the years ended 31 December 2019 and 31 December 2018 other than the profit attributable to the members of the Company of £187,855 (2018: £243,433).

CRH Finance (U.K.) plc**Balance sheet**

as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due after one year	8	396,960,000	397,600,000
Debtors: amounts falling due within one year	8	1,973,652	56,481
Cash		62,892	880,372
		<u>398,996,544</u>	<u>398,536,853</u>
Current liabilities			
Creditors: amounts falling due within one year	9	<u>(1,412,125)</u>	<u>(1,382,239)</u>
Net current assets		<u>397,584,419</u>	<u>397,154,614</u>
Non-current liabilities			
Creditors: amounts falling due after one year	10	(396,973,137)	(396,731,187)
Net assets		<u>611,282</u>	<u>423,427</u>
Capital and reserves			
Called-up share capital	12	50,000	50,000
Profit and loss account	13	561,282	373,427
Shareholder's funds		<u>611,282</u>	<u>423,427</u>

The financial statements of CRH Finance (U.K.) plc, registered number 02153217, were approved and authorised for issue by the board and were signed on 30 April 2020 on its behalf by:

DocuSigned by:

Andrew Donnan

Andrew Donnan

209394076A0044D...

Director

The notes on pages 18 to 25 form part of these financial statements.

CRH Finance (U.K.) plc
Statement of changes in equity
for the year ended 31 December 2019

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2018	50,000	129,994	179,994
Profit for the year	-	243,433	243,433
At 1 January 2019	50,000	373,427	423,427
Profit for the year	-	187,855	187,855
At 31 December 2019	50,000	561,282	611,282

CRH Finance (U.K.) plc

Notes to the financial statements

for the year ended 31 December 2019

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

The financial statements of CRH Finance (U.K.) plc (the “Company”) for the year ended 31 December 2019 were authorised for issue by the board of directors on 30 April 2020 and the balance sheet was signed on the board’s behalf by Andrew Donnan. CRH Finance (U.K.) plc is incorporated and domiciled in England and Wales and operating under the Companies Act 2006. CRH Finance (U.K.) plc is a public company limited by shares, whose registered office is Portland House, Bickenhill Lane, Birmingham, England, B37 7BQ.

These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (FRS 101) and in accordance with applicable accounting standards.

The Company’s financial statements are presented in Sterling, which is the Company’s functional currency, and all values are rounded to the nearest pound (£).

The results of CRH Finance (U.K.) plc are included in the consolidated financial statements of CRH plc which are available from the Company Secretary, 42 Fitzwilliam Square, Dublin, D02 R279, Ireland.

The significant accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation of financial statements and going concern

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ and the Companies Act 2006.

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

As outlined in Note 16, the Directors do not anticipate a material impact on the going concern status of the Company stemming from the COVID-19 pandemic.

The principal accounting policies adopted are set out below.

Financial reporting standard 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirement of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraph 91 - 99 of IFRS 13 Fair Value Measurement;
- c) the requirements of IAS 7 Statement of Cash Flows;
- d) the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- e) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- f) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is a wholly owned by such a member.

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

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

for the year ended 31 December 2019

2. Accounting policies (continued)

Key accounting policies which involve estimates, assumptions and judgements

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

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

Financial assets

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

The Company derecognises financial assets only when the contractual rights to the cash flows from the asset expire, or when it transfers the contractual right to receive cash flows of the financial or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows to one or more recipients; and substantially all the risks and rewards of ownership of the financial asset have been transferred to another entity.

Cash and cash equivalents

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

Financial liabilities

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

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

Interest Income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is calculated on the accrual basis, by reference to the principal outstanding and at the interest rate applicable based on the effective interest rate method.

Interest payable and similar charges

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

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

for the year ended 31 December 2019

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

Taxation – current and deferred

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

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

CRH Finance (U.K.) plc

Notes to the financial statements (continued)

for the year ended 31 December 2019

2. Accounting policies (continued)

Taxation – current and deferred (continued)

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

Capital Management

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

Financial instruments

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

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

Subsequent Measurement

Cash and cash equivalents and overdrafts are short term assets and liabilities and are recorded at book value. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology. The computation of amortised cost includes any issue costs and any discount or premium materialising on settlement.

CRH Finance (U.K.) plc
Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Directors' remuneration

The Directors' services to the Company do not occupy a significant amount of their time. As such the Directors do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2019 and the year ended 31 December 2018.

4. Employees

The Company had no employees during the year (2018: none).

5. Interest

	2019	2018
	£	£
Interest receivable:		
Bank interest receivable	4,280	-
Interest receivable from group undertakings:	<u>20,612,378</u>	<u>20,615,560</u>
	<u>20,616,658</u>	<u>20,615,560</u>
Interest payable and similar charges:		
Bank interest payable	-	(98,956)
Interest payable on bonds	(16,500,000)	(16,500,000)
Amortisation of capitalised bond fees	<u>(241,950)</u>	<u>(232,146)</u>
	<u>(16,741,950)</u>	<u>(16,831,102)</u>

6. Operating profit

Auditor's remuneration costs of £15,000 (2018: £19,500) are borne by CRH (UK) Limited, the immediate parent company. Non-audit services have not been provided during the current and prior year. The Administrative expenses during the year relate to bond guarantee fees paid to the ultimate parent and listing fees paid to the Irish Stock Exchange. The Other Income in the previous year related to the release of accruals, which were no longer required.

CRH Finance (U.K.) plc
Notes to the financial statements (continued)
for the year ended 31 December 2019

7. Taxation

The tax credit is made up as follows:

	2019 £	2018 £
Current tax:		
Current tax on profits for the year	44,065	57,098
Tax on profit	<u>44,065</u>	<u>57,098</u>

Factors affecting the current tax credit

The charge for the year can be reconciled to the profit per the income statement as follows:

	2019 £	2018 £
Profit before taxation	<u>231,920</u>	<u>300,531</u>
Tax on profit at standard UK tax rate of 19.00% (2018: 19.00%)	44,065	57,098
Tax charge for the period	<u>44,065</u>	<u>57,098</u>

Factors that may affect future tax charges

On 26 October 2015, Finance No.2 Bill 2015 enacted reductions in the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. The latter reduction was subsequently reduced further from 18% to 17% upon enactment of the Finance Bill 2016 on 15 September 2016.

On 11 March 2020, the Chancellor of the Exchequer announced that legislation will be introduced in Finance Bill 2020 to amend the main rate of Corporation Tax for all non-ring fence profits to 19% for financial year 2020. The Corporation Tax charge and the main rate will also be set at 19% for all non-ring fence profits for financial year 2021.

Deferred taxation

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

8. Debtors

	2019 £	2018 £
Amounts falling due after one year:		
Amounts due from group undertakings	<u>396,960,000</u>	<u>397,600,000</u>
Amounts falling due within one year:		
Amounts due from group undertakings	<u>1,973,652</u>	<u>56,481</u>
	<u>398,933,652</u>	<u>397,656,481</u>

On 27th November 2019 Cities UK Limited (formerly CRH Limited) repaid the loan and all interest owed to CRH Finance (U.K.) plc. On the same day CRH Finance (U.K.) plc lent £396,960,000 to its immediate parent CRH (UK) Limited. The loan is repayable in full on 2 December 2029 and accruing interest at 5.185% per annum, payable in arrears in November each year.

CRH Finance (U.K.) plc
Notes to the financial statements (continued)
for the year ended 31 December 2019

9. Creditors: amounts falling due within one year

	2019	2018
	£	£
Accrued interest	(1,310,959)	(1,310,959)
Group relief	(101,166)	(71,280)
	<u>(1,412,125)</u>	<u>(1,382,239)</u>

10. Creditors: amounts falling due after one year

	2019	2018
	£	£
Medium Term loan repayable (note 11)	<u>(396,973,137)</u>	<u>(396,731,187)</u>

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

11. Loans and borrowings

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

The Company along with other group companies has available a total of €3,550,000,000 committed facilities with a group of financial institutions (2018: €3,550,000,000). The maturity profile of the available and undrawn committed facilities in Sterling at the Balance sheet dates was:

	2019	2018
	£	£
Undrawn committed facilities		
Within one year	-	-
Between one and two years	-	-
Between two and three years	-	-
Between three and four years	42,540,000	44,725,000
Between four and five years	2,977,800,000	3,130,750,000
After five years	-	-
Total	<u>3,020,340,000</u>	<u>3,175,475,000</u>
Conversion rate – €/£	0.8508	0.8945

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

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

CRH Finance (U.K.) plc
Notes to the financial statements (continued)
for the year ended 31 December 2019

12. Called up share capital

	2019	2018
	£	£
Authorised, called up, allotted and fully paid		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

13. Reserves

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

14. 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.

15. Parent undertakings and controlling parties

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

16. Events after the balance sheet date

Having considered the possible impact of the COVID-19 pandemic, the Board has taken into account the nature of the Company's activities which consist of the provision of finance to other CRH companies and being the holder of listed debt. The Directors have determined that based on recent trading of the CRH Group the pandemic is not expected to have a significant impact on the Company's business. The Directors will monitor the situation constantly and take any necessary actions to minimise the possible impacts of COVID-19. The CRH Group is in a strong financial position to navigate the economic impact of the current situation and will continue to provide guarantee over the liabilities of the Company. As a consequence, the Company does not envisage that a material change will be required to any expected credit loss provisions on amounts due from other group undertakings based on recent trading updates and related recoverability or other provisions.