

CRH Group Limited
Report of the Directors
and Financial Statements
For the financial year ended 31 December 2020



CRH Group Limited

Index to the financial statements

For the financial year ended 31 December 2020

	Page
COMPANY INFORMATION	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4
INDEPENDENT AUDITOR'S REPORT	6
INCOME STATEMENT	10
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

CRH Group Limited

Company Information
For the financial year ended 31 December 2020

Directors and Secretary

A. Bryan
G. Jardine

Secretary - Tarmac Secretaries (UK) Limited

Registered Office

Level 4
40 Strand
London
WC2N 5RW
United Kingdom

Registered number of incorporation

5281259

Auditor

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
29 Earlsfort Terrace
D02 AY28

Solicitor

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

CRH Group Limited

Strategic Report

For the financial year ended 31 December 2020

Introduction

The Directors submit their report for the year ended 31 December 2020.

Business review

The Company provides operating assistance to CRH group companies. The Company is a limited company with share capital. The Directors do not anticipate any major change in the nature of the Company's business in the foreseeable future.

Principal risks and uncertainties

These principal risks are set out below:

The financial performance of the Company is affected by borrower credit quality and general economic conditions

Risks arising from changes in credit quality and the recoverability of loans and amounts due from other group companies are inherent in the Company's business. Adverse changes in the credit quality of the Company's borrowers or a general deterioration in economic conditions, or arising from systemic risks in the financial system, could affect the recoverability and value of the Company's assets and require a provision for bad and doubtful debts and other provisions.

The Board has reviewed the impact of the COVID-19 pandemic on the Company in 2020 and to date post year end. The Board have taken into account the nature of the Company's activities which consist of investing in CRH Group plc companies and they have determined that the pandemic is not expected to have a significant impact on the Company's business. The Directors will continue to monitor the situation constantly and take any necessary actions to minimise the possible impacts of COVID-19. The Company has considerable financial resources together with the support from the ultimate parent CRH plc. and the Directors believe that the Company is well placed to manage these risks successfully.

Changes in interest rates affect the Company's business

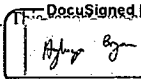
The most significant market risks the Company faces are interest rate risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Interest cost is managed by a centrally-controlled treasury function using a mix of fixed and floating rate debt.

Administrative Income from Group Companies

The Company depends on group companies for a significant portion of revenue and delay or loss of such revenue could adversely affect the Company's business, financial condition and operating results.

Important events since the year end

There have been no important events since the period end.

DocuSigned by:  approved by the board and signed on its behalf on 21-Mar-2022

F6B875C70F4E4BE...

A. Bryan
Director

CRH Group Limited

Directors' Report

For the year ended 31 December 2020

The Directors present their report for the year ended 31 December 2020. The company is private and limited by shares, incorporated and domiciled in England and operating under the Companies Act 2006.

Results for the year and state of affairs at 31 December 2020

The profit and loss account for the year ended 31 December 2020 and the balance sheet at that date are set out on pages 10 and 11. The profit for the year before taxation amounted to £348,127 (2019: £303,865). The profit after taxation for the year is £235,926 (2019: £219,376). Shareholders' funds at 31 December 2020 amounted to £1,466,012 (2019: £564,724).

Dividends

The Directors of the Company do not propose the payment of a dividend for the year (2019: nil).

Directors and Secretary

The Directors and the Secretary, who served during the year are listed on page 2 and, unless otherwise indicated, served throughout the year, and up to the date of approval of the financial statements.

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

There are no developments requiring comment.

Important events since the year end

There have been no important events since the period end.

Political donations

There were no political donations made during 2020 (2019: nil).

Research and development

There was no research and development activity during the year (2019: nil).

Financial risk management objectives and policies

The Company uses financial instruments throughout its businesses: cash and cash equivalents and short-dated liquid investments are used to finance the Company's operations; inter-company receivables arise directly from operations. The Company does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

The main risks attaching to the Company's financial instruments are foreign currency risk and credit risk. The Board reviews and agrees policies for the prudent management of each of these risks as documented below.

Foreign currency risk

Where practicable and cost effective, the Company uses currency borrowings in the same currency as the assets being financed.

Credit Risk

Cash 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 these ratings. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

Going concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the 2020 Financial Statements is a period of at least twelve months from the date of the approval of these financial statements (the 'period of assessment'). The Company's business activities, together with its principal risks and uncertainties are described above. No concerns or material uncertainties have been identified as part of our assessment, which also considered the impact of the COVID-19 pandemic. Having assessed the relevant business risks, the Directors believe that the Company is well placed to manage these risks successfully. The Directors have a reasonable expectation that the Company has adequate financial resources together with support from the ultimate parent, CRH plc to continue in operational existence for the period of assessment with no material uncertainties. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Disclosure of information to the auditors

The directors who were members of the board at the time of approval of the directors' report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditors, each director confirms that:

- To the best of each director's knowledge and belief, there is no information (that is information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- Each director has taken all steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

CRH Group Limited

Directors' report (continued)

For the financial year ended 31 December 2020

Directors' responsibilities statement

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 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 its financial statements comply with the Companies Acts 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

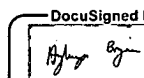
The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Following a comprehensive tender process in 2018, Deloitte Ireland LLP has been selected to replace Ernst & Young, Chartered Accountants as the Company's auditor with effect from financial year commencing 1 January 2020. An ordinary resolution confirming the appointment of Deloitte Ireland LLP as the Group auditor has been passed at the 2020 CRH plc Annual General Meeting. Deloitte Ireland LLP have indicated their willingness to continue in office.

On behalf of the Directors

Director:

DocuSigned by:

A. Bryan
E6B875C70F4E4BE...

Date: 21-Mar-2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRH GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of CRH Group Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 19, including a summary of significant accounting policies as set out in note 2.

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

BASIS FOR OPINION

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Report of the Directors and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in our report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, we report these conclusions in our report. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identified during the audit.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law, environmental regulations and the data protection act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

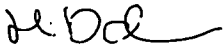
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Heather Doolin (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

21 March 2022

CRH Group Limited**Income Statement for the year ended 31 December 2020**

	Note	2020 £	2019 £ (Restated)*
Turnover	3	5,004,252	4,355,382
Operating expenses		<u>(4,604,037)</u>	<u>(3,956,689)</u>
Operating profit		400,215	398,694
Interest payable and similar charges	7	(52,088)	(94,829)
Profit before taxation		<u>348,127</u>	<u>303,865</u>
Taxation	8	(112,201)	(84,489)
Profit after taxation		<u><u>235,926</u></u>	<u><u>219,376</u></u>

Statement of Comprehensive Income for the year ended 31 December 2020

	2020 £	2019 £ (Restated)*
Profit for the year	<u>235,926</u>	<u>219,376</u>
Other comprehensive income		
Total comprehensive income for the financial year	<u><u>235,926</u></u>	<u><u>219,376</u></u>

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £ (Restated)*
Fixed Assets			
Tangible fixed assets	9	1,167,481	1,770,418
Current assets			
Debtors	10	2,395,171	1,084,251
Creditors (amounts falling due within one year)	11	<u>(1,756,010)</u>	<u>(1,617,038)</u>
Net current (liabilities)/ assets		639,161	(532,787)
Total assets less current liabilities		<u>1,806,642</u>	<u>1,237,631</u>
Creditors (amounts falling due after more than one year)	12	(340,630)	(672,907)
Net assets		<u>1,466,012</u>	<u>564,724</u>
Capital and reserves			
Called up share capital presented as equity	14	1	1
Capital contribution received	15	908,691	243,329
Profit and loss account		<u>557,321</u>	<u>321,395</u>
Shareholders' funds		<u>1,466,012</u>	<u>564,724</u>

Approved by Directors on 21-Mar-2022

Signed by:

Director:



A. Bryan

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited

Statement of Changes in Equity for the year ended 31 December 2020

		Called up Share Capital presented as equity	Capital Contribution Received	Profit and Loss account	Total Equity
		£	£	£	£
At 1 January 2019		1	-	102,019	102,020
Profit for the year		-	-	219,376	219,376
Share-based payment expenses	4	-	234,361	-	234,361
Tax on share-based payment	8	-	8,968	-	8,968
As at 31 December 2019 restated*		1	243,329	321,395	564,724
Profit for the year		-	-	235,926	235,926
Share-based payment expenses	4	-	630,692	-	630,692
Tax on share-based payment	8	-	34,670	-	34,670
As at 31 December 2020		1	908,691	557,321	1,466,012

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited

Notes to the Financial Statements

For the financial year ended 31 December 2020

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

CRH Group Limited is a limited liability company and is incorporated and domiciled in the United Kingdom. The Company Registration number is 5281259. The registered office address is Level 4, 40 Strand, London, WC2N 5RW, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling £.

The results of CRH Group Limited 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 principal accounting policies adopted by the Company are set out in Note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The entity financial statements have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The Company's business activities, together with its principal risks and uncertainties are described in the Directors' report. The Company has considerable financial resources together with support from the ultimate parent CRH plc. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As outlined in the Directors' report, the Directors do not anticipate a material impact on the going concern status of the Company stemming from the COVID-19 pandemic. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.2 Historical cost convention

The financial statements are prepared under the historical cost convention.

2.3 Going concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the 2020 Financial Statements is a period of at least twelve months from the date of the approval of these financial statements (the 'period of assessment'). The Company's business activities, together with its principal risks and uncertainties are described above. No concerns or material uncertainties have been identified as part of our assessment, which also considered the impact of the COVID-19 pandemic. Having assessed the relevant business risks, the Directors believe that the Company is well placed to manage these risks successfully. The Directors have a reasonable expectation that the Company has adequate financial resources together with support from the ultimate parent, CRH plc to continue in operational existence for the period of assessment with no material uncertainties. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

2.4 Key Accounting Policies which involve Estimates, Assumptions and Judgements

The preparation of financial statements in conformity with FRS101, 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:

Revenue recognition

Revenue is comprised of income received from other group companies. The Company recognises revenue in the amount of the price expected to be received for goods and services supplied at a point in time or over time, as contractual performance obligations are fulfilled and control of goods and services passes to the customer.

Debtors

The Company's trade receivables are measured at amortised cost and are subject to IFRS 9's expected credit loss model. The Company's impairment methodology is in line with the requirements of IFRS 9. The simplified approach to providing for expected credit losses has been applied to trade and other receivables, which requires the use of a lifetime expected loss provision. Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

CRH Group Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company,
- The company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the company has the right to direct the use of the identified asset throughout the period of use,
- The company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Share-based payments

Awards under the Performance Share Plan

25% of the awards under the 2014 Performance Share Plan are subject to a TSR (and hence market-based) vesting condition measured against a tailored sector peer group. Accordingly, the fair value assigned to the related equity instruments at the grant date is derived using a Monte Carlo simulation technique to model the market-based performance conditions; and is adjusted to reflect the anticipated likelihood as at the grant date of achieving the vesting condition. Awards are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

25% of awards granted under the 2014 Performance Share Plan are subject to a RONA metric; with the remaining 50% subject to a cumulative cash flow target (non-market-based) vesting condition. The fair value of the awards is calculated as the market price of the shares at the date of grant. No expense is recognised for awards that do not ultimately vest. At the balance sheet date, the estimate of the level of vesting is reviewed and any adjustment necessary is recognised in the Income Statement.

The Company has taken advantage of the disclosure exemptions under FRS 101 in relation to the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment, because the share based payment arrangements concern the instruments of another group entity and the equivalent disclosures are included in the consolidated financial statements of CRH plc in which the Company is consolidated.

Savings-related Share Option Schemes

The fair values assigned to options under the Savings-related Share Option Schemes are derived in accordance with the trinomial valuation methodology on the basis that the services to be rendered by employees as consideration for the granting of share options will be received over the vesting period, which is assessed as at the grant date. The cost is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Ultimate Parent's best estimate of the number of equity instruments that will ultimately vest. The Profit and Loss expense/credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. The cumulative charge to the Profit and Loss account is reversed only where an employee in receipt of share options leaves service prior to completion of the expected vesting period and those options forfeit in consequence.

Where an award is cancelled, it is treated as if it is vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. All cancellations of awards are treated equally.

2.5 Other Significant Accounting Policies

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 recognised using the liability method on temporary differences arising at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. For the most part, no provision has been made for temporary differences applicable to investments in subsidiaries and joint ventures as the Company is 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. However, a temporary difference has been recognised to the extent that specific assets have been identified for sale or where there is a specific intention to unwind the temporary difference in the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position 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 statement of financial position date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

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

CRH Group Limited**Notes to the Financial Statements (continued)**
For the year ended 31 December 2020**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Foreign currency translation**

The Company's functional and presentation currency is Sterling denominated by the symbol "£". Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of transaction. At the end of each financial year foreign currency monetary items are translated to sterling at the closing rate. The resulting profits/losses are dealt with in the income statement. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. 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 income statement.

Tangible assets

Tangible fixed assets are carried at cost less accumulated depreciation and provisions for impairment. The cost of an asset is made up of the purchase price of the asset plus any cost directly attributable to bringing the asset into working condition.

Depreciation is calculated to write off the book value of each tangible fixed asset during its useful economic life on a straight line basis at the following rates:

Leasehold improvements	depreciation is calculated to write off the book value of each leasehold improvement asset during the lease term on a straight line basis
Leased assets	depreciation is calculated to write off the book value of each leased asset during the lease term on a straight line basis.

Creditors

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. Any amounts owed to group undertakings are repayable on demand.

2.6 Prior period restatement

The 2019 accounts have been restated for the omission of share based payment expenses and write off of accruals. The restatement relates to 2019 only, there were no changes required to accounts preceeding 2019.

The change has resulted in profits after tax and total comprehensive income decreasing by £73,548 for the year ending 31 December 2019. The resulting impact on the balance sheet has been an increase to capital contribution received of £243,329, a decrease of £88,484 in accruals and an increase in amounts due from groups undertakings of £156,817. Deferred tax assets have increased by £52,379 and Group relief creditor has increased by £127,900.

3. TURNOVER

	2020	2019
	£	£
Costs recharged to CRH Group Services Limited	5,004,252	4,355,382

CRH Group Limited recharges certain overhead costs to CRH Group Services Limited at cost plus mark up of 7.5%.

4. SHARE-BASED PAYMENTS EXPENSE

	2020	2019
	£	£
		(Restated)*
2014 performance share plan expense	624,704	229,604
Savings-related share option scheme	5,988	4,756
Total share-based payment expense	630,692	234,361

Details in relation to the above schemes are set out in CRH plc's 2020 published financial statements.

Savings-related share option scheme

The savings related expense of £5,988 (2019: £4,756) reported in the Profit and Loss account has been arrived at through applying the trinomial model, which is a lattice option-pricing model.

There were no exercises of savings-related share options exercised during the year (2019: nil).

	2020	2019
		(Restated)*
The weighted average remaining contractual life for the share options outstanding at 31 December (years)	2.09	3.09
Range of exercise prices (€)	20.11-20.83	20.11-20.83

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

5. EMPLOYEES AND REMUNERATION

	2020	2019
	£	£
		(Restated)*
Wages and salaries	2,568,774	2,322,396
Pension costs	165,352	96,871
Share based payments (note 4)	624,704	229,604
Performance share plan expense (note 4)	5,988	4,756
Payroll taxes	373,467	326,837
	3,738,284	2,980,465

The average number of persons employed by the Company in the financial year was 11 (2019: 10).

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited**Notes to the Financial Statements (continued)**
For the year ended 31 December 2020

6. OPERATING PROFIT	2020 £	2019 £
The profit before taxation is stated after charging:		
Auditor's remuneration (i)		
Depreciation (owned assets)	253,286	42,214
Depreciation (leased assets)	349,651	107,432

(i) Auditor's remuneration of nil (2019: nil), was borne by a fellow Group undertaking. No remuneration was paid to the auditors of the Company in respect of other audit assurances, taxation or other non-audit services.

7. INTEREST PAYABLE AND SIMILAR CHARGES	2020 £	2019 £
Interest payable on intercompany loans	(30,405)	(85,825)
IFRS16 lease discount unwinding	(21,683)	(9,004)
Total interest payable and similar charges	(52,088)	(94,829)

8. TAXATION	2020 £	2019 £ (Restated)*
<i>Current tax:</i>		
Current tax on profits for the year	232,685	108,516
Adjustment in respect of prior years	-	19,384
Total current tax	232,685	127,900
<i>Deferred tax:</i>		
Current year	(115,377)	(48,650)
Effect of changes in tax rates	(5,107)	5,239
Total deferred tax	(120,484)	(43,411)
Tax per income statement	112,201	84,489
<i>Equity items</i>		
Deferred tax current year credit	(34,670)	(8,968)

Factors affecting the current tax charge

The corporation tax is assessed at 19% (2019: 19%) of the taxable profits for the year. The tax charge for the year is reconciled to the profit and loss and equity account as follows:

	2020 £	2019 £ (Restated)*
Profit for the period - continuing activities	348,127	303,865
Tax on profit at standard UK tax rate of 19% (2019: 19%)	66,144	57,734
<i>Effects of:</i>		
Adjustments in respect of prior years	-	19,384
Expenses not deductible	164,889	52,032
Tax rate changes	(5,107)	5,107
Share options	(113,725)	(49,769)
Total tax charge for the year	112,201	84,488
Current liabilities:		
Group relief creditor	341,201	127,900
	341,201	127,900
Deferred tax (assets) / liabilities:		
Provision at start of period	(52,379)	-
Deferred tax charge to profit and loss account for the period	(120,484)	(43,411)
Deferred tax charge in equity for the period	(34,670)	(8,968)
Provision at end of period	(207,533)	(52,379)
Fixed assets	(401)	1,119
Share based payments	(207,132)	(53,498)
	(207,533)	(52,379)

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

8. TAXATION (continued)

- i. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. The timing of the reversal of the Company's deferred tax items has been considered, and accordingly at 31 December 2020 deferred tax has been calculated at the tax rates that are expected to apply when the related asset is realised or liability is settled. Therefore all deferred tax assets and liabilities have been measured at 19% being the rate enacted at the balance sheet date.
- ii. Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017, resulting in a current tax rate for the year of 19%. On 15 September 2016, Finance Bill 2016 enacted a further rate reduction to 17% with effect from 1 April 2020. A further change was enacted in Finance Act 2020 to cancel the proposed reduction in the main rate of corporation tax from 19% to 17% from 1 April 2020. Therefore, the rate enacted at the balance sheet date was 19%. On 3 March 2021, the Chancellor of the Exchequer announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of Corporation Tax for all non-ring fence profits to 25% for the financial year 2023.
- iii. This change was substantively enacted on 24 May 2021, i.e. after the balance sheet date and as such this change has not been reflected in the deferred tax balance at 31 December 2020. Using the company's deferred tax balance at 31 December 2020 the impact of the rate change on the deferred tax balance would be an increase to net assets of £65,537.
- iv. Group relief claimed from other CRH UK Group companies is paid for at the prevailing rate of corporation tax for the year at 19% (2019: 19%).

9. TANGIBLE ASSETS

	Leasehold Improvements (i)	Lease right-of-use Assets (ii)	Total
	£	£	£
COST			
At 1 January 2020	802,071	1,117,993	1,920,064
Additions-cost			
At 31 December 2020	802,071	1,117,993	1,920,064
ACCUMULATED DEPRECIATION			
At 1 January 2020	42,214	107,432	149,646
Depreciation	253,286	349,651	602,937
At 31 December 2020	295,500	457,083	752,583
NET BOOK AMOUNT			
At 31 December 2020	506,571	660,910	1,167,481
At 1 January 2020	759,857	1,010,561	1,770,418

(i) During the prior year, the Company acquired leasehold improvement assets of £802,071, lease right-of-use asset and lease liability of £1,117,993 from Tarmac Trading Limited, another group company. These assets relate to the lease improvement assets, lease right-of-use asset and lease liability at Level 4, 40 Strand, London, WC2N 5RW.

(ii) See note 13 for more detailed information on right-of-use assets and lease liabilities of CRH Group Limited under IFRS 16.

10. DEBTORS

	2020	2019
	£	£
		(Restated)*
<i>Amounts falling due within one year</i>		
Amounts owed by group companies	2,065,264	1,006,788
Other receivables	122,374	25,084
Deferred tax asset (see note 8)	207,533	52,379
Total Debtors	2,395,171	1,084,251

Amounts owed by group companies are non-interest bearing and payable on demand.

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

CRH Group Limited**Notes to the Financial Statements (continued)**
For the year ended 31 December 2020

11. CREDITORS (amounts falling due within one year)	2020 £	2019 £ (Restated)*
Accruals	95,732	257,789
Other payables	84,701	38,493
Current tax liability	341,181	127,900
Amounts due to group companies	885,250	843,734
IFRS16 lease liabilities (note 13)	349,146	349,122
	<u>1,756,010</u>	<u>1,617,038</u>

The carrying amounts of intercompany payables approximate their fair value largely due to the short-term maturities and nature of these instruments. Amounts due to group companies are repayable on demand. All amounts are non-interest bearing.

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

12. CREDITORS (amounts falling due after one year)	2020 £	2019 £
IFRS16 lease liabilities (note 13)	340,630	672,907
	<u>340,630</u>	<u>672,907</u>

13. LEASES**Leased right-of-use assets;**

	Total £
Cost	1,117,993
Accumulated depreciation	457,083
At 31 December 2020, net carrying amount	<u>660,910</u>
At 1 January 2020, net carrying amount	1,010,561
Depreciation charge for year	349,651
At 31 December 2020, net carrying amount	<u>660,910</u>

Lease liabilities;

At 1 January 2020	1,022,029
Payments	(353,936)
Discount unwinding	21,683
At 31 December 2020	<u>689,776</u>

(i) The Company entered into a lease agreement which was transferred from another Group company, effective from 05 September 2019, in relation to an office space located at Level 4, 40 Strand, London, WC2N 5RW. The terms and conditions of these leases do not impose significant financial restrictions on the Company. A right-of-use asset and lease liability are recognised at the commencement date for contracts containing a lease.

The table below shows a maturity analysis of the discounted and undiscounted lease liability arising from leasing activities as at 31 December 2020. The projections are based on the foreign exchange rates applying at the end of the relevant financial year and on interest rates (discounted projections only) applicable to the lease portfolio.

	Discounted £	Undiscounted £
Within one year	349,146	353,935
Between one and two years	340,630	353,935
Total	<u>689,776</u>	<u>707,870</u>

14. AUTHORISED AND ISSUED SHARE CAPITAL

	2020 No.	2019 No.	2020 £	2019 £
Authorised				
Ordinary shares of £1 each	1	1	1	1
Issued and fully paid				
Ordinary Shares of €1.25 each				
- At 1 January and 31 December	1	1	1	1

The holders of the Ordinary Shares shall have the right to attend and vote at general meetings of the Company.

CRH Group Limited**Notes to the Financial Statements (continued)**
For the year ended 31 December 2020

15. CAPITAL CONTRIBUTION RECEIVED	2020 £	2019 £ (Restated)*
As at 1 January	243,329	-
Share based payments (i)	665,362	243,329
	<u>908,691</u>	<u>243,329</u>

(i) The capital contribution received in respect of share-based payments mirrors the treatment applied in the parent company (CRH plc) balance sheet (as published in the 2020 Annual Report of CRH plc and filed with the Registrar of Companies in the Republic of Ireland) and is in line with the requirements of IFRS 2 Share-based Payment as it applies to the financial statements of subsidiary entities.

* The comparative information has been restated as a result of the prior period omission as discussed in note 2.

16. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 8 (k) of FRS 101 not to disclose transactions and balances with fellow wholly owned subsidiaries.

17. ULTIMATE CONTROLLING PARTY

The Company's immediate parent is CRH (UK) Limited, a private company limited by shares in the United Kingdom. The Company's ultimate parent and ultimate controlling party is CRH plc, a company incorporated in the Republic of Ireland.

CRH plc is the only group of which the Company is a member for which consolidated group financial statements are prepared. Copies of the group financial statements are available from the registered office at 42 Fitzwilliam Square, Dublin 2.

18. FRS 101 EXEMPTIONS AVAILABLE

These financial statements are prepared in accordance with FRS 101.

Exemptions available

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) "Application of Financial Reporting Requirements", issued by the Financial Reporting Council. The following exemption from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (Statement of cash flows);
 - 16, (Statement of compliance with all IFRS);
 - 38A, (Requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D, (Additional comparative information);
 - 111, (Cash flow statement information);
 - 134-136, (Capital management disclosures);
 - IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

19. SUBSEQUENT EVENTS

There are no subsequent events to report since year end.

20. BOARD APPROVAL

The financial statements were approved and authorised for issue by the Board of Directors on