T O'CONNELL & SONS (CONTRACTORS) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2017

Registered in Northern Ireland
No NI 012709

T O' CONNELL & SONS (CONTRACTORS) LIMITED

T O'CONNELL & SONS (CONTRACTORS) LIMITED

DIRECTORS AND OFFICERS

Directors	Mr. E. Sweeney
Company Secretary	Mrs. D. Geddis
Registered Office	99 Kingsway Dunmurry Belfast BT17 9NU
Company Number	NI 012709
Auditors	Ernst and Young LLP Bedford House Bedford Street Belfast BT2 7DT
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS

T O'CONNELL & SON LIMITED

STRATEGIC REPORT

Registered No. NI 012709

The directors present their Strategic Report for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principle activity of the company in the period under review was that of controlling and administering the rights to mineral extraction in respect of sand and gravel.

The company's key financial and other performance indicators during the year were as follows:-

	2017	2016	Change
	£	£	%
Income	122,492	110,662	10.7%
Operating profit	-	-	-
Profit/(loss) after tax	4	(1)	-500.0%
Shareholders' deficit	(79)	(83)	-4.8%
Current assets as % of current liabilities	45.1%	42.4%	2.7%

PRINCIPAL RISKS AND RISK MANAGEMENT

The company's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk

Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate. In addition, this risk is managed through a number of measures: ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to mitigate the adverse effects on the company's financial performance of such risks.

Credit risk arises on third party derived revenues. Company policy is aimed at minimising such risk, including the receipt of payments on account on construction contracts and requires that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND RISK MANAGEMENT (continued)

The company's liquidity, interest rate and foreign currency risks are managed through the CRH group central treasury function. In particular the company participates in the CRH group's centralised treasury arrangements and the directors believe that these facilities are more than adequate for the future needs of the company and that the company is well placed to manage its business risks successfully despite the continued uncertain economic outlook. The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.

Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Business control

Strong financial and business controls are in place to ensure the integrity and reliability of financial and other information on which the company relies for day-to-day operations, external reporting and for longer term planning.

The company exercises financial and business control through a combination of qualified and experienced financial teams, performance analysis, budgeting and cash flow forecasting and clearly defined approval limits.

Management development

Long-term growth of the business depends on the company's ability to retain and attract personnel of high quality. This risk is managed through development plans that are regularly reviewed and updated. These are accompanied by specific policies in areas such as training, management development and performance management.

Health and safety risk

The company is committed to ensuring a safe working environment. These risks are managed by the company through the strong promotion of a health and safety culture and well defined health and safety policies which require:-

- Compliance, as a minimum, with all applicable legislation and continuous improvement in our health and safety stewardship towards industry best practice;
- Ensuring that all employees and contractors respect the company's health and safety imperatives;
- Ensuring that the company provides a healthy and safe workplace for all employees, contractors, customers and visitors at our locations;
- Ensuring that our employees and contractors understand their obligations to work in a safe manner as mandated by law and industry best practice.

Implementing our Health & Safety policy is the responsibility of designated divisional Health & Safety directors who report to the board on a continuous basis. Our overriding objective is the achievement of industry best practice and subsequent reduction in accident frequency and severity rates within the business.

T O'CONNELL & SON LIMITED

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND RISK MANAGEMENT (continued)

Environmental risks

Our environmental policy is to: -

- Comply, as a minimum, with all applicable environmental legislation and to continually improve our environmental stewardship towards industry best practice;
- Ensure that our employees and contractors respect their environmental responsibilities;
- Optimise our use of energy and resources through efficiency gains and recycling;
- Proactively address the challenges and opportunities of climate change;
- Promote environmentally-driven product innovation and new business opportunities;
- Be good neighbours in the many communities in which we operate.

Achieving our environmental policy objectives is a management imperative. Day to day responsibility for ensuring the company's environmental policy is effectively implemented lies with the designated Environmental Liaison Officer (ELO). The ELO is responsible for implementing the company's environmental policy and procedures and reports to the board on a continuous basis.

ON BEHALF OF THE BOARD

MR. E. SWEENEY
DIRECTOR

99 Kingsway, Dunmurry
Belfast
Registered in Northern Ireland NI 012709

DATE: 26 September 2018

T O'CONNELL & SON LIMITED

DIRECTORS REPORT
Registered No. NI 12709

The directors present their Report and Financial Statements for the year ending 31 December 2017.

RESULTS FOR THE YEAR
The profit attributable to its members was £4 (2016 loss – £1). No dividends were paid during the year ended 31 December 2017.

PRINCIPAL ACTIVITIES OF THE BUSINESS
The principle activity of the company in the period under review was that of controlling and administering the rights to mineral extraction in respect of sand and gravel.

FUTURE DEVELOPMENTS
The company does not currently have any plans to change or to engage in any other activities.

DIRECTORS
The director who served during the year was Mr. E. Sweeney.

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 auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of the information.

AUDITORS
In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditors of the Company.

ON BEHALF OF THE BOARD

MR. E.SWEENEY
DIRECTOR

26 September 2018
DATE

99 Kingsway
Dunmurry
Belfast
BT17 9NU

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company Law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping proper 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T O'CONNELL & SONS (CONTRACTORS) LIMITED

Opinion

We have audited the financial statements of Ards Building Products (Manufacturing) Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and the related notes 1 to 11, 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 FRS101 'Reduced Disclosure Framework' (United Kingdom Generally accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF T O'CONNELL & SONS (CONTRACTORS) LIMITED (continued)

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' report 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 any material misstatements in the strategic report or the 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 5, 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 Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Ernst & Young LLP

Ian Gibson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

26 September 2018

T O'CONNELL & SONS (CONTRACTORS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	2017	2016
		£	£
Other operating income		122,492	110,662
Administrative expenses		(122,492)	(110,662)
Operating loss	4		-
Interest received/(payable)		1	(1)
Profit/(loss) before taxation		1	(1)
Tax credit on profit/(loss)	5	3	-
Profit/(loss) attributable to the members		4	(1)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		4	(1)

All amounts relate to continuing operations

T O'CONNELL & SONS (CONTRACTORS) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2017

	NOTES	2017 £	2016 £
CURRENT ASSETS			
Corporation tax		-	52
Amounts owed from group undertakings		5	-
Cash at bank		60	9
		65	61
CURRENT LIABILITIES			
Creditors – Amounts falling due within one year:	6	144	144
		144	144
NET LIABILITIES		(79)	(83)
CAPITAL AND RESERVES			
Ordinary share capital	7	2	2
Profit & loss account		(81)	(85)
TOTAL SHAREHOLDERS' DEFICIT		(79)	(83)

The financial statements were approved and authorised for issue by the board on 26 September 2018 and were signed on its behalf by:

__________________**Director**
MR. E. SWEENEY

STATEMENT IN CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit & loss account	Shareholders' deficit
	£	£	£
Balance at 1 January 2016	2	(84)	(82)
Total comprehensive income	-	(1)	(1)
Balance at 31 December 2016	2	(85)	(83)
Total comprehensive income	-	4	4
Balance at 31 December 2017	2	(81)	(79)

The notes on pages 12 – 19 form part of these accounts.

T O'CONNELL & SONS (CONTRACTORS) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF COMPLIANCE

The financial statements of T O' Connell & Sons (Contractors) Limited for the year ended 31 December 2017 were authorised for issue by the board of directors on 26 September 2018 and the balance sheet was signed on the board behalf by Mr. E. Sweeney. T O' Connell & Sons (Contractors) Limited is limited by shares and domiciled in Northern Ireland.

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

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of CRH PLC, an undertaking incorporated in the Republic of Ireland.

The results of CRH PLC are included in the consolidated financial statements of CRH PLC which are available from Dublin Castle, Lower Castle Yard, Dame Street, Dublin 2.

The principal accounting policies adopted by the company are set out in note 3.

2. GOING CONCERN

The Company is financed by intercompany loans funded from financing facilities within the Northstone Group. These intercompany loans are repayable on demand and as a result the Company's Balance Sheet shows net current liabilities of £79 (31 December 2016 – net liabilities £83). The Company's forecasts show that the Company is reliant on adequate financial resources being made available by the Northstone Group to enable the Company to continue to trade for the foreseeable future.

The Directors of Northstone (NI) Limited have indicated that it is their present intention to continue to provide financial support to the Company and to provide sufficient funds to the Company for these purposes.

The Group's forecasts and projections, taking into account possible changes in trading performance, show that the Group will have adequate financial resources to enable it to continue to trade for the foreseeable future.

Accordingly, and based upon their enquiries of the Directors of Northstone (NI) Limited, the Directors of the Company continue to adopt the going concern basis in preparing the Company's accounts.

T O'CONNELL & SONS (CONTRACTORS) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the measurement at fair value of share-based payments, retirement benefit obligations and certain financial assets and liabilities including derivative financial instruments.

The company has taken advantage of the disclosure exemptions under FRS 101 in relation to;

- Presentation of comparative information - paragraph 38 of IAS 1 Presentation of Financial Statements in respect of:
  (i) paragraph 79(a)(iv) of IAS1;
  (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
  (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliation between carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, Presentation of financial statements
  (i) 10(d), statement of cash flow
  (ii) 10(f), a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
  (iii) 16, statement of compliance with all IFRS
  (iv) 38A, requirement for minimum of two primary statements, including cash flow statements
  (v) 38B-D, additional comparative information
  (vi) 40A-D, requirements for a third statement of financial position
  (vii) 111, cashflow statement information and
  (viii) 134-136, capital management disclosures
- Presentation of a cash flow statement (IAS 7 Statement of Cash Flows)
- Related party disclosures (paragraph 17 of IAS 24 Related Party Disclosure), and

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

The principal accounting policies adopted are set out below.

(ii) Changes in accounting policy and disclosures

The following new and amended IFRS and IFRIC interpretations have been adopted by the company during the financial year:

- IFRS 13 Fair Value Measurement
  IFRS 13 does not affect when fair value is used, but rather describes how to measure fair value where fair value is required or permitted by IFRS. The company is exempt under FRS 101 from the disclosure requirements if IFRS13.
  There was no impact on the company from the adoption of IFRS13.

3. ACCOUNTING POLICIES (continued)

(iii) Key Accounting Policies which involve Estimates, Assumptions and Judgements

The preparation of financial statements 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:

Provisions for liabilities

A provision is recognised when the company has a present obligation (either legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company anticipates that a provision will be reimbursed, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will arise. The expense relating to any provision is presented in the Income Statement net of any reimbursement. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as an interest expense. Provisions are not recognised for future operating losses.

Environmental and remediation provisions
The measurement of environmental and remediation provisions is based on an evaluation of currently available facts with respect to each individual site and considers factors such as existing technology, currently enacted laws and regulations and prior experience in remediation of sites. Inherent uncertainties exist in such evaluations primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, the protracted length of the clean-up periods and evolving technologies. The environmental and remediation liabilities provided for in the Financial Statements reflect the information available to management at the time of determination of the liability and are adjusted periodically as remediation efforts progress or as additional technical or legal information becomes available. Due to the inherent uncertainties described above, many of which are not under management's control, the accounting for such items could result in different amounts if management used different assumptions or if different conditions occur in future accounting periods.

Legal contingencies
The status of each significant claim and legal proceeding in which the company is involved is reviewed by management on a periodic basis and the company's potential financial exposure is assessed. If the potential loss from any claim or legal proceeding is considered probable, and the amount can be estimated, a liability is recognised for the estimated loss. Because of the uncertainties inherent in such matters, the related provisions are based on the best information available at the time; the issues taken into account by management and factored into the assessment of legal contingencies include, as applicable, the status of settlement negotiations, interpretations of contractual obligations, prior experience with similar contingencies/claims, the availability of insurance to protect against the downside exposure and advice obtained from legal counsel and other third parties. As additional information becomes available on pending claims, the potential liability is reassessed and revisions are made to the amounts accrued where appropriate. Such revisions in the estimates of the potential liabilities could have a material impact on the results of operations and financial position of the company.

3. ACCOUNTING POLICIES (continued)

Taxation – current and deferred

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

Deferred tax is recognised using the liability method on temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. 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. Due to the absence of control in the context of associates (significant influence only), deferred tax liabilities are recognised where appropriate in respect of the company's investments in these entities on the basis that the exercise of significant influence would not necessarily prevent earnings being remitted by other shareholders in the undertaking.

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

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

Revenue recognition

Revenue represents the value of goods and services supplied and is net of trade discounts and value added tax/sales tax. Revenue is recognised to the extent that revenue and related costs incurred or to be incurred are subject to reliable measurement, that it is probable that economic benefits will flow to the company and that the significant risks and rewards of ownership have passed to the buyer, usually on delivery of the goods.

Sale of goods:
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods

Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the Income Statement on a straight-line basis over the lease term.

3. ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade receivables are carried at original invoice amount less an allowance for potentially uncollectible debts. Provision is made when there is objective evidence that the company will not be in a position to collect the associated debts. Bad debts are written-off to the Income Statement on identification.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held for the purpose of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are included within current interest-bearing loans and borrowings in the Balance Sheet.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at the fair value of the consideration received net of directly attributable transaction costs. Subsequent to initial recognition, current and non-current interest-bearing loans and borrowings are, in general, measured at amortised cost employing the effective interest methodology.

Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loan and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedger, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases and sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, trade and other receivables, loan notes, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39. The Company has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in finance revenue or finance expense in the income statement.

3. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Loan and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

Available-for-sale financial assets

Available-for-sale financial investments include equity securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the unrealised gains and losses reserve. When the investment is derecognised, the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the income statement in other operating expenses and removed from unrealised gains and losses reserve.

The Company evaluates its available-for-sale financial assets and whether the ability and intent to sell them in the near is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and when the Company has the intent and ability to hold these assets for the foreseeable future or until maturity.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligation for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

3. ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where the existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

4. OPERATING LOSS

Auditors remuneration in the current and prior year were borne by the company's parent undertaking

5. TAXATION

		2017	2016
		£	£
(a)	Analysis of tax charge in the year:		
	UK Current Tax:		
	UK corporation tax charge/credit on profit/(loss) for the period	-	-
	Adjustments in respect of previous periods	3	-
	Total current tax credit	3	-
(b)	Factors affecting tax charge for the year:		
	The tax assessed for the period is in line with the standard rate of UK corporation tax of 19.25%, (2016:20.00%).		
		£	£
	Profit/(loss) before tax	1	(1)
	Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.25%, (2016:20.00%).	-	-
	Effect of:		
	Disallows expenses	-	-
	Adjustments in respect of previous periods	3	-
	Total taxation credit for the year	3	-

6. CREDITORS: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings	144	144
	144	144

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

7. SHARE CAPITAL

	2017	2016
	£	£
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
Ordinary shares of £1 each	2	2

8. CONTROLLING PARTY

The parent undertaking, Northstone (NI) Limited, a company incorporated in Northern Ireland, controls 100% of the company as a result of controlling all of its issued share capital.

The parent company of both largest and smallest group in which Northstone (NI) Limited is included is CRH plc. Copies of the Financial Statements of CRH plc are available from Dublin Castle, Lower Castle Yard, Dame Street, Dublin 2.

9. EMOLUMENTS OF DIRECTORS

The directors did not receive any emoluments in respect of their services to the company in 2017 and 2016.

10. STAFF NUMBERS AND EMOLUMENTS

There were no employees in 2017 and 2016.

11. BOARD APPROVAL

The financial statements were approved and authorised for issue by the Board of Directors on 26 September 2018.