

Tarmac Holdings (THL) Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2018

Registration number: 00132583



TARMAC HOLDINGS (THL) LIMITED

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TARMAC HOLDINGS (THL) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of Tarmac Holdings (THL) Limited ("the Company"), a private company limited by shares, incorporated and domiciled in England and Wales operating under the Companies Act 2006, for the year ended 31 December 2018.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006, which also provides exemption from the preparation of a Strategic Report.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding company.

The Company is a wholly owned indirect subsidiary of Tarmac Holdings Limited. Tarmac is also part of the CRH Group. Tarmac Holdings Limited and its subsidiaries are referred to throughout as Tarmac, and CRH plc and its subsidiaries are referred to as the Group. Tarmac is organised and managed across four business units.

GOING CONCERN

The Directors have considered going concern in preparing these financial statements. The Company operates as part of the Tarmac cash pooling arrangement. Each company participating in the cash pooling arrangement has a memorandum balance, with the true balance at bank being the sum of all of the memorandum balances. While the overall balance at bank in the cash pool is usually maintained as a positive cash balance, there are points in time during which the overall balance may temporarily fall into an overdraft position. The nature of the cash pooling arrangement increases the risk to the Company of withdrawing cash balances in full on demand, in the event of other Tarmac companies having overdraft positions. The Directors do not consider that this presents a material risk to the Company regarding the availability of cash balances to continue operations under the normal course of business.

The Company is an indirect subsidiary of Tarmac Holdings Limited. Given that the Company's activities are managed as part of the trading divisions of Tarmac Holdings Limited, the factors likely to affect the Company's future development, performance and position; and its exposure to credit risk and other trading risks are set out in the Strategic Report of Tarmac Holdings Limited, which does not form part of this report.

Detailed forecasts including the Company are prepared on a Tarmac group basis for a period of at least 12 months from the date of approval of these financial statements. Given that forecasts are not prepared by statutory entity, confirmation of ongoing support throughout an equivalent period has been obtained from the Company's ultimate parent company, CRH plc.

After receiving this confirmation, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

DIVIDEND AND TRANSFERS TO RESERVES

No dividends have been paid in the year ended 31 December 2018 (2017: £nil). The Company's profit for the year of £6,779,163 (2017: £6,500,517) has been transferred to reserves.

TARMAC HOLDINGS (THL) LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors of the Company throughout the year and to the date of this report, except where otherwise stated, were as follows:

M J Choules
Tarmac Directors (UK) Limited

DIRECTORS' INDEMNITIES

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

AUDITOR

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

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

Approved by the Board and signed on its behalf by:



R Wood
for and on behalf of
Tarmac Directors (UK) Limited
Director

19 September 2019

TARMAC HOLDINGS (THL) LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TARMAC HOLDINGS (THL) LIMITED

Opinion

We have audited the financial statements of Tarmac Holdings (THL) Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework', in accordance with the provisions applicable to companies subject to the small companies regime.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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 this 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 TARMAC HOLDINGS (THL) LIMITED (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibility Statement set out on page 3, 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TARMAC HOLDINGS (THL) LIMITED (continued)

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.



Andrew Merrick (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor Birmingham

19/9/19

TARMAC HOLDINGS (THL) LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Other operating income	9	348,737	-
Income from shares in group undertakings		17,833	-
Impairment of loans to group companies		-	32
Fixed asset investment impairment	9	(348,837)	-
Finance income	7	<u>6,761,430</u>	<u>6,500,485</u>
Profit on ordinary activities before tax		6,779,163	6,500,517
Tax	8	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>6,779,163</u></u>	<u><u>6,500,517</u></u>

All activities derive from continuing operations.

TARMAC HOLDINGS (THL) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2018

	2018 £	2017 £
Profit for the year	<u>6,779,163</u>	<u>6,500,517</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>6,779,163</u></u>	<u><u>6,500,517</u></u>

TARMAC HOLDINGS (THL) LIMITED

BALANCE SHEET

As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	9	<u>18,500,790</u>	<u>18,500,890</u>
		18,500,790	18,500,890
Current assets			
Debtors	10	28,651,616	28,633,783
Debtors - due after one year	10	165,214,705	158,453,585
Cash at bank and in hand		<u>92,374</u>	<u>92,064</u>
		193,958,695	187,179,432
Creditors: Amounts falling due within one year	11	<u>(14,103,950)</u>	<u>(14,103,950)</u>
Net assets		<u>198,355,535</u>	<u>191,576,372</u>
Capital and reserves			
Called up share capital	12	1	1
Other reserves		5,902,142	5,902,142
Profit and loss account		<u>192,453,392</u>	<u>185,674,229</u>
Total shareholders' funds		<u>198,355,535</u>	<u>191,576,372</u>

The financial statements of Tarmac Holdings (THL) Limited, registered number 00132583, prepared in accordance with the small companies' regime, were approved by the Board of Directors and authorised for issue on 19 September 2019. They were signed on its behalf by:



R Wood
for and on behalf of
Tarmac Directors (UK) Limited
Director

TARMAC HOLDINGS (THL) LIMITED

STATEMENT OF CHANGES IN EQUITY

As at Year Ended 31 December 2018

	Share capital £	Merger reserve £	Profit and loss account £	Total £
Balance at 1 January 2017	1	5,902,142	179,173,712	185,075,855
Profit for the year	-	-	6,500,517	6,500,517
Total comprehensive income for the year	-	-	6,500,517	6,500,517
Balance at 1 January 2018	1	5,902,142	185,674,229	191,576,372
Profit for the year	-	-	6,779,163	6,779,163
Total comprehensive income for the year	-	-	6,779,163	6,779,163
Balance at 31 December 2018	1	5,902,142	192,453,392	198,355,535

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2018

1 General information

Tarmac Holdings (THL) Limited is a private company limited by shares, incorporated and domiciled in England and Wales operating under the Companies Act 2006. The address of the registered office is Portland House, Bickenhill Lane, Solihull, Birmingham B37 7BQ. The nature of the Company's operations and its principal activities are set out in the Directors' Report on page 1.

These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out in note 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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

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

- the requirements of IFRS 7 Financial Instruments: Disclosures,
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1 and (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and (iii) paragraph 118(e) of IAS 38 Intangible Assets
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

Where required, equivalent disclosures are given in the group accounts of CRH plc. The group accounts of CRH plc are available to the public and can be obtained as set out in note 16.

The financial statements have been prepared on a going concern basis as discussed in the Directors' Report on page 1.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

2 Adoption of new and revised Standards

In the current year, the following new standards or amendments became effective and required adoption by the Company:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

None of the above have resulted in any material changes in accounting policies and no adjustments were required to the amounts recognised in the Company's financial statements.

3 Significant accounting policies

Revenue recognition

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Investments

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

3 Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

3 Significant accounting policies (continued)

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value.

Financial Assets

The Company's classes of financial assets are cash and other financial assets, and these are classified as 'loans and receivables'.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

3 Significant accounting policies (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

The Company has financial liabilities that are classified as 'other financial liabilities', and these relate to borrowings from fellow subsidiary companies and trade and other payables.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

The Directors believe that there are no accounting policies that are critical due to the degree of estimation required and / or the potential material impact they may have on the Company's financial position and performance.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

5 Fees payable to the Company's auditor for the audit of the Company's annual financial statements

Audit fees for the audit of the Company of £3,900 (2017: £3,900) are borne by a fellow group company, Tarmac Trading Limited.

There were no non audit services provided in either year.

6 Information regarding employees and Directors

The Company had no employees during the year (2017 - nil)

The emoluments of the Directors are paid by another group company as their services to the Company are incidental to their services provided to other group companies.

7 Finance Income

	2018 £	2017 £
Interest receivable from Group companies	6,761,119	6,500,376
Bank interest	<u>311</u>	<u>109</u>
Total finance income	<u>6,761,430</u>	<u>6,500,485</u>

8 Tax

	2018 £	2017 £
Current tax:		
Current tax on profit for the year	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 19.00% (2017: 19.25%) to the profit before tax are as follows:

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

8 Tax (continued)

	2018 £	2017 £
Profit before tax on continuing operations	<u>6,779,163</u>	<u>6,500,517</u>
Tax at the standard UK corporation tax rate of 19.00% (2017: 19.25%)	1,288,041	1,251,350
Expenses not deductible	66,279	-
Group relief surrendered / (claimed) for nil payment	(1,284,672)	(1,218,460)
Increase (decrease) from transfer pricing adjustments	-	(32,890)
Income not taxable	<u>(69,648)</u>	<u>-</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Group relief within Tarmac is surrendered free of charge. Group relief claimed from other CRH UK Group companies outside of Tarmac is paid for at the prevailing rate of corporation tax for the year of 19.00% (2017: 19.25%).

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 19.00%. On 15 September 2016, Finance Bill 2016 enacted a further rate reduction to 17% with effect from 1 April 2020.

9 Investments

Subsidiaries	£
Cost or valuation	
At 1 January 2018	179,808,325
Additions	<u>348,737</u>
At 31 December 2018	<u>180,157,062</u>
Provision for impairment	
At 1 January 2018	161,307,435
Provision	<u>348,837</u>
At 31 December 2018	<u>161,656,272</u>
Carrying amount	
At 31 December 2018	<u>18,500,790</u>
At 31 December 2017	<u>18,500,890</u>

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

9 Investments (continued)

During the year, the Company increased its investment in Tarmac Aviation Limited by £348,737 in order to make that entity solvent in anticipation of it being liquidated. An impairment provision of £348,837 was recognised reflecting the, then, value of the investment. As a further consequence the Company has reversed the previous provision against intercompany receivable from Tarmac Aviation Limited in the current year of £348,737.

The investments in subsidiaries are all stated at cost less provision for impairment.

In accordance with section 409 of the Companies Act 2006, the Company's related undertakings at 31 December 2018 are shown below.

All companies listed below are owned directly by the Company unless otherwise indicated below. All companies operate principally in their country of incorporation, which is the United Kingdom. All companies have a registered address of Portland House, Bickenhill Lane, Solihull, Birmingham, B37 7BQ, England, unless otherwise indicated below.

Company Name	Registered office	% of Ownership
Hilton Property Holdings Limited		100%
Situsec Limited (in liquidation)		100%
Tarmac (BA) Limited	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill ML4 4NJ, Scotland	100%
Tarmac Aviation Limited (in liquidation)		100%
Tarmac Building Materials Limited		100%
Tarmac Industrial Products Limited		100%
Tarmac Nominees Limited		100%
Tarmac Nominees Two Limited		100%
Tarmac Properties Limited		100%
The Burnside Quarry Company Limited (in liquidation)	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill ML4 4NJ, Scotland	100%
Bothwell Park Brick Company Limited*	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100%
Francis Parker Land Limited*		49.5%
Dow Mac Limited*		100%
E.G. Coleman (Weymouth) Limited*		100%
Francis Parker Limited*		100%
Francis Parker Properties Limited*		100%
Providethat Limited*		100%
Scunthorpe Slag Limited*		100%
Severn Valley Brick Company Limited*		100%
Tarmac Bricks & Tiles Limited*		100%
Tarmac Structural Concrete Limited*		100%

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

9 Investments (continued)

Company Name	Registered office	% of Ownership
Thermodeck Limited*		100%
Tilling Construction Services Limited*		100%
Ace Minimix Limited*		100%
Brady Industries Limited*		100%
Briggs Amasco Curtainwall Limited*		100%
Charles Smith Sons & Co Limited*		100%
Lime-Sand Mortar (Southern) Limited*	Cambusnethan House, Linnet Way, Strathclyde Business Park, Bellshill, ML4 3NJ, Scotland	100%
Tarmac Group Cement and Lime Limited*		100%
Tipton Holdings Limited*		100%
Vicourt Limited*		100%
Wildmount Properties Limited*		100%
Broadhill Developments Limited*		50%
Foxholes Business Park Limited*		50%
Minevote Public Limited Company*	7a Howick Place, London SW1P 1DZ, England	50%
New London Road Developments Limited*		100%
Peel Lamp Properties Limited*	Peel Dome Intu Trafford Centre, Traffordcity, Manchester, United Kingdom, M17 8PL	50%
Schofield Centre Limited*		50%
Tarmac Brookglade Properties Public Limited Company*		100%
Tarmac Burford (Southern) Limited*		100%
Tarmac Properties (JMA) Limited*		100%
Tarmac Properties Home Counties Limited*		100%
Tarmac Provincial Properties Limited*		100%
White Lion Walk Limited*		50%
Tipton Group Limited*		100%
Argot Properties Limited*		50%
South Kensington Developments Limited*		50%
Tarmac Benchmark Developments Limited*		50%
Craven Street Developments Limited*		100%
Tarmac Clayform Limited*	7a Howick Place, London, SW1P 1DZ, England	50%
Tarmac Guildford Limited*		50%

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

9 Investments (continued)

*indicates indirectly held subsidiary undertaking.

10 Trade and other debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group companies	651,620	633,787
Amounts owed by group companies - group relief	<u>27,999,996</u>	<u>27,999,996</u>
	<u>28,651,616</u>	<u>28,633,783</u>
Amounts falling due after more than one year		
Amounts owed by group companies	<u>165,214,705</u>	<u>158,453,585</u>
Total debtors	<u>193,866,321</u>	<u>187,087,368</u>

Amounts owed by fellow group companies falling due within one year have no fixed repayment date and no interest is charged on these balances.

Amounts owed by group companies falling due after more than one year is an interest bearing loan issued by the Company to Tarmac Trading Limited on 31 December 2015. The interest rate charged on the loan is LIBOR plus 3.5% payable annually in arrears. Unpaid accrued interest is capitalised and added to the amount outstanding and will bear interest accordingly. The loan is effective for a period of twelve months and one day and is automatically renewed on 31 December each year for the same length of period.

11 Creditors - amounts falling due within one year

	2018 £	2017 £
Amounts owed to group companies	14,057,236	14,057,236
Other creditors	<u>46,714</u>	<u>46,714</u>
	<u>14,103,950</u>	<u>14,103,950</u>

Amounts owed to group companies have no fixed repayment date and no interest is charged on these balances.

TARMAC HOLDINGS (THL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 December 2018

12 Share capital

Allotted, called up and fully paid shares

	2018	2017
	£	£
2 ordinary shares of £0.50 each	<u>1.00</u>	<u>1.00</u>

The Company has one class of ordinary shares which carry no right to fixed income.

13 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

Details of all movements in reserves are shown in the Statement of Changes in Equity on page 10.

14 Contingent liabilities

The Company has cash which forms part of a composite accounting agreement with certain of Tarmac's subsidiaries. Accordingly, the Company in concert with those other Tarmac companies has entered into arrangements whereby each has offered a limited guarantee in respect of the others' overdraft borrowings from time to time. The Company's maximum liability is limited to the extent of its current account cash balances from time to time which at 31 December 2018 amounted to £92,374 (2017: £92,064).

15 Related party transactions

Under Financial Reporting Standard 101, the Company is exempt from the requirement to disclose transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of CRH plc and its results are included in the consolidated financial statements of CRH plc.

16 Controlling party

At the balance sheet date, the immediate parent company was Tarmac Group Limited. The ultimate parent company and ultimate controlling entity was CRH plc, a company incorporated and registered in Ireland. The smallest and largest group that publishes consolidated financial statements incorporating the results of this Company is CRH plc. Copies of the financial statements of the ultimate parent company are available from the Company Secretary, 42 Fitzwilliam Square, Dublin, D02 R279, Ireland.