

COMPANY NUMBER: 4895833

CEMEX UK MATERIALS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

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CEMEX UK MATERIALS LIMITED

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CEMEX UK MATERIALS LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2022

The directors present their report and audited financial statements for the year ended 31 December 2022.

Principal activity, business review and future developments

The principal activity of the Company continues to be the production of aggregates & asphalt, manufacture of ready mixed concrete and other concrete and specialist products and packing and marketing of dry packed building products as agent for and on behalf of CEMEX UK Operations Limited, which indemnifies the Company against all losses and liabilities it may incur in pursuing that activity as agent. The directors do not expect any change in the foreseeable future.

The COVID-19 pandemic did not have a significant impact on the business during 2022. There does remain some uncertainty due to external factors such as the impact of changes in global economic conditions including high inflation and increasing interest rates, the ongoing conflict in Ukraine, and energy price volatility. CEMEX continues to monitor risks so that appropriate action can be taken where necessary to minimise any negative impact on the business.

Results and dividends

The result for the year was £nil (2021: £nil).

The directors do not recommend payment of a dividend (2021: £nil).

Directors

The directors who served during and since the end of the year are shown below:

C.L. Platt	resigned 1/9/2022
D. J. Allen	appointed 3/11/2022
S. F. Jones	appointed 3/11/2022
V. Puri	
L.H. Russell	
L.B. Dagley	

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

CEMEX UK MATERIALS LIMITED
DIRECTORS' REPORT (Continued)
For the year ended 31 December 2022

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



V. Puri
Director

CEMEX House
Binley Business Park
Harry Weston Road
Coventry
England, CV3 2TY
United Kingdom

29 September 2023

CEMEX UK MATERIALS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK MATERIALS LIMITED

Opinion

We have audited the financial statements of CEMEX UK Materials Limited ('the company') for the year ended 31 December 2022 which comprise the Profit and Loss Account and Statement of other comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK MATERIALS LIMITED

(Continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing noncompliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK MATERIALS LIMITED (Continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 September 2023

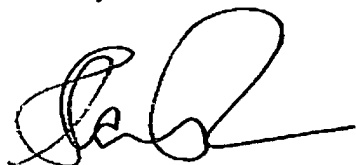
CEMEX UK MATERIALS LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

During the financial year the Company traded as an agent of its principal CEMEX UK Operations Limited and all income earned and expenditure incurred by the Company is reflected in the financial statements of CEMEX UK Operations Limited. Consequently during those years, the Company made neither a profit or other comprehensive income.

CEMEX UK MATERIALS LIMITED
Balance Sheet
For the year ended 31 December 2022

	Notes	2022 £	2021 £
Current assets			
Debtors	4	202,510,773	180,105,969
Creditors: amounts falling due within one year	5	(147,788,469)	(125,383,665)
Net current assets		54,722,304	54,722,304
Total assets less current liabilities		54,722,304	54,722,304
 Net assets		 54,722,304	 54,722,304
 Capital and reserves			
Called up share capital	6	45,000,001	45,000,001
Profit and loss account		9,722,303	9,722,303
Shareholder's funds		54,722,304	54,722,304

These financial statements were approved by the board of directors on 29 September 2023 and were signed on its behalf by:



V. Puri
Director

COMPANY NUMBER: 4895833

The notes on pages 10 to 13 form part of these financial statements.

CEMEX UK MATERIALS LIMITED
STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2021	45,000,001	9,722,303	54,722,304
Balance at 31 December 2021	<u>45,000,001</u>	<u>9,722,303</u>	<u>54,722,304</u>

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2022	45,000,001	9,722,303	54,722,304
Balance at 31 December 2022	<u>45,000,001</u>	<u>9,722,303</u>	<u>54,722,304</u>

The notes on pages 10 to 13 form part of these financial statements.

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2022

1 Accounting policies

CEMEX UK Materials Limited("the Company") is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 4895833 and registered address is CEMEX House, Binley Business Park, Harry Weston Road, Coventry, England, CV3 2TY, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, CEMEX, S.A.B. de C.V. includes the Company in its consolidated financial statements. The consolidated financial statements of CEMEX, S.A.B. de C.V. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 8.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of CEMEX, S.A.B. de C.V. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 9.

Going concern

The company has net current assets of £54,722,304 as at 31 December 2022 and made a profit for the year then ended of £ nil. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the company is to act as an agent to Cemex UK Operations Limited, a fellow member of the CEMEX S.A.B de C.V group. The principal activity of Cemex UK Operations Limited is to manufacture, distribute and supply building materials. CEMEX UK Operations Limited, indemnifies the Company against all losses and liabilities it may incur in pursuing that activity as an agent.

The company meets its day to day working capital requirements from operational cash flows and trading balances with the group headed by CEMEX S.A.B de C.V., the ultimate parent company, and the use of a cash pooling facility managed by the group treasury function with CEMEX Innovation Holding Limited, the group financing entity. This is a formal cash pool arrangement; therefore, the company is entitled to its cash as and when required.

The directors have performed a going concern assessment for a period of at least 12 months from the date of approval of these financial statements, which indicates that, taking account of reasonably possible downsides and the anticipated impact of the current uncertain economic outlook on the operations and its financial resources, the company will have sufficient funds through its cash pooling facility to meet its liabilities as they fall due for that period, taking into account continued commercial and financial support from the company's ultimate parent company, CEMEX S.A.B de C.V. CEMEX S.A.B de C.V. has indicated its intention to provide commercial and financial support to the Company for at least 12 months from the date of approval of these financial statements.

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

1 Accounting policies (continued)

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue. Also, as with any company providing and accessing its funds to/from the cash pool, the directors acknowledge that there can be no certainty that the Group cash-pooling facility will continue, although, at the date of approval of these financial statements, they have no reason to believe that this support or facility will not continue to be made available to the Company.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Measurement convention

The financial statements are prepared on the historical cost basis.

Related parties

As 100% of the Company's voting rights are controlled within the group headed by CEMEX, S.A.B. de C.V., the Company has taken advantage of the exemption contained in FRS 102.33.1A and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of CEMEX, S.A.B. de C.V., within which this Company is included, can be obtained from the address given in note 8.

Basic financial instruments

Trade and other debtors /creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Impairment - Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income/(expense), in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102. Deferred tax assets are recognised to the extent that they are considered recoverable.

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

2 Profit on ordinary activities before taxation

During the financial year and the preceding year, the Company acted as an undisclosed agent and did not record any income or expenditure.

	2022	2021
	£	£
Auditor remuneration - for audit of these financial statements	5,500	5,000

The remuneration of the auditor stated above was paid by another group undertaking in both years.

No (2021: £nil) remuneration was paid to the directors of the company for their services to the company as directors.

The company had no (2021: no) employees during the year.

3 Turnover

Turnover represents values invoiced to third parties where the Company acts as principal, or commissions received where the Company acts as agent. During the current and previous periods, no transactions were entered into as principal, nor were any commissions received on trading as agent of CEMEX UK Operations Limited.

4 Debtors

	2022	2021
	£	£
Amounts falling due within one year		
Amounts owed by group undertakings	202,510,773	180,105,969
Total debtors	202,510,773	180,105,969

CEMEX UK MATERIALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	94,809,275	80,535,009
Capital creditors	458,750	-
Other creditors	98,829	372,481
Other taxation & social security	19,132,197	15,296,614
Accruals & deferred income	33,289,418	29,179,561
	<u>147,788,469</u>	<u>125,383,665</u>

6 Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid 45,000,001 (2021: 45,000,001) Ordinary shares of £1 each	<u>45,000,001</u>	<u>45,000,001</u>

7 Contingent liabilities

The Company is registered with H M Revenue & Customs as a member of the CEMEX Investments Limited group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

8 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent undertaking and controlling party is CEMEX Investments Limited, which is incorporated in Great Britain.

The largest group in which the results of the Company are consolidated is that headed by CEMEX, S.A.B. de C.V., the ultimate parent company and controlling party, which is incorporated in Mexico. Its address is Av. Ricardo Margain Zozaya 325, CP 66265, San Pedro Garza Garcia N.L., Mexico.

The smallest group in which the results of the Company are consolidated is that headed by CEMEX España S.A., incorporated in Spain. Its address is Hernandez de Tejada 1, Madrid 28027, Spain.

The consolidated financial statements of these groups are available to the public and can be obtained from the above addresses.

9 Accounting estimates and Judgements

Estimates and assumptions are reviewed on an ongoing basis. There are no key estimates and judgements in these financial statements.