

COMPANY NUMBER: 119186

CEMEX UK MARINE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019



CEMEX UK MARINE LIMITED

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CEMEX UK MARINE LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2019

The directors present their report and audited financial statements for the year ended 31 December 2019.

Principal activity, business review and future developments

The principal activity of the Company continues to be the dredging and selling of marine dredged aggregates as an 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 material changes in the Company's affairs in the foreseeable future.

Subsequent events

Subsequent to the year end, on March 11, 2020, the World Health Organization declared the outbreak of Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world, having affected more than 150 countries. Most governments have taken restrictive measures to contain the spread, which have resulted, or may result in the following implications for our business units: (i) temporary restrictions on, or suspended access to, or shutdown, or suspension or the halt of, our manufacturing facilities, staffing shortages, production slowdowns or stoppages and disruptions in our delivery systems; (ii) disruptions or delays in our supply chains; (iii) reduced availability of land and sea transport; (iv) increased cost of materials, products and services on which CEMEX businesses depend; (v) reduced investor confidence and consumer spending in the regions where we operate, as well as globally; (vi) a general slowdown in economic activity, including construction, and a decrease in demand for our products and services and industry demand generally; (vii) constraints on the availability of financing in the financial markets; (viii) our inability to, if required, refinance our existing indebtedness on desired terms, if at all; or (ix) our inability to comply with, or receive waivers with respect to, restrictions and covenants under the agreements governing our existing indebtedness, including maintenance covenants under our facilities agreement.

These measures have adversely affected our workforce and operations and the operations of our customers, distributors and suppliers, and may adversely affect our financial condition and results of operations. There is significant uncertainty regarding such measures and potential future measures, and restrictions on our access to our manufacturing facilities, on our operations or on our workforce, or similar limitations for our distributors and suppliers, which have limited customer demand and/or our capacity to meet customer demand, and which have had a material adverse effect on our financial condition and results of operations. The degree to which COVID-19 affects our results and operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

The consequences of COVID-19 are considered a subsequent event that does not require an adjustment in these accounts, without prejudice to the fact that they should be recognised in the accounts for the year 2020. CEMEX Group has applied strict hygiene protocols in all its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing intended to considerably reduce the possibility of contagion of COVID-19. CEMEX Group has also strengthened its liquidity position, mainly with funds from its committed revolving credit facility and with proceeds from asset sales. In addition, CEMEX Group has undertaken the following temporary measures that it believes could save jobs, weather the crisis, and allow CEMEX Group to recover as soon as possible. Starting May 1st, 2020 and for a 90-day period, in accordance with applicable laws and regulations:

- CEMEX Group's Chairman, CEO and the members of Cemex Group's Executive Committee, along with CEMEX Group's Board of Directors have agreed to forgo 25% of their salaries or fees, respectively;
- CEMEX Group requested its senior leadership team to voluntarily forgo 15% of their monthly salaries;
- CEMEX requested all other salaried employees to voluntarily defer 10% of their monthly salary. The deferred amount will be paid in full in December 2020; and

Further initial actions of the CEMEX Group are to suspend or reduce the following:

- Capital expenditures not related to managing the pandemic, with no exceptions;
- Budgeted operating expenses, in line with the evolution of demand;
- Production and inventory levels in all our markets, in line with lower demand conditions; and
- Corporate and global networks activities that detract from CEMEX Group's business focus on managing the crisis and their respective operations.

CEMEX UK MARINE LIMITED
DIRECTORS' REPORT (Continued)
For the year ended 31 December 2019

During the coming months, CEMEX Group plans to focus its efforts on managing the impact of the COVID-19 pandemic on its production, commercial, and financial activities. CEMEX Group will continue to carefully monitor this overall situation and expects to take additional steps, as could be required.

At the date of signing these accounts, it is not possible to quantify or make a reliable estimate of the impacts of COVID-19. The Group will evaluate during the year 2020, the impact of these events on the equity and the financial situation as of December 31, 2020 and on the results of its operations and the cash flows corresponding to the year ended on that date.

Results and dividends

The result for the year was £nil (2018: £nil).

The directors recommend payment of a dividend of £nil (2018: £nil).

Directors

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

L.H. Russell	(appointed 23 November 2020)
L.B. Dagley	(resigned 23 November 2020)
V. Puri	
K. Cowdery	

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.

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.

On behalf of the board



E.J. Ashenden
Secretary

1st December 2020

CEMEX House
Evreux Way
Rugby
Warwickshire
England, CV21 2DT
United Kingdom

CEMEX UK MARINE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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 MARINE LIMITED

Opinion

We have audited the financial statements of CEMEX UK Marine Limited ('the company') for the year ended 31 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, 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 2019 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 MARINE LIMITED
(Continued)

Directors' responsibilities

As explained more fully in their 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; 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.

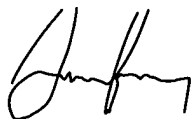
Auditor's responsibilities

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
1 December 2020

CEMEX UK MARINE LIMITED
Profit and Loss Account and Other Comprehensive Income
For the year ended 31 December 2019

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently during those years, the Company made neither a profit or other comprehensive income.

Balance Sheet
For the year ended 31 December 2019

	Notes	2019 £	2018 £
Current assets			
Debtors	3	8,189,997	7,113,829
Creditors: amounts falling due within one year	4	(7,929,997)	(6,853,829)
Net current assets		<u>260,000</u>	<u>260,000</u>
Net assets		<u>260,000</u>	<u>260,000</u>
Capital and reserves			
Called up share capital	5	260,000	260,000
Shareholder's funds		<u>260,000</u>	<u>260,000</u>

These financial statements were approved by the board of directors on 1st December 2020 and were signed on its behalf by:



V. Puri
Director

COMPANY NUMBER: 119186

The notes on pages 8 to 11 form part of these financial statements.

CEMEX UK MARINE LIMITED
STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Total equity £
Balance at 1 January 2018	260,000	260,000
Balance at 31 December 2018	<u>260,000</u>	<u>260,000</u>

	Called up share capital £	Total equity £
Balance at 1 January 2019	260,000	260,000
Balance at 31 December 2019	<u>260,000</u>	<u>260,000</u>

The notes on pages 8 to 11 form part of these financial statements.

CEMEX UK MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1 Accounting policies

CEMEX UK Marine Limited("the Company") is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 119186 and registered address is CEMEX House, Evreux Way, Rugby, Warwickshire, England, CV21 2DT, 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 7.

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 8.

CEMEX UK MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company has net current assets of £260,000 as at 31 December 2019 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 company acts as an 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 an agent. As CEMEX UK Operations Limited is placing reliance on group support from the ultimate parent company, CEMEX S.A.B de C.V, the company is also reliant on group support from CEMEX S.A.B de C.V. CEMEX S.A.B de C.V. has agreed to provide commercial and financial support to the Company for at least 12 months from the date of approval of these financial statements.

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 although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

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.IA 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 7.

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 MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2 Profit and loss account

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

Consequently, during these years, the Company made neither a profit nor a loss.

	2019 £	2018 £
Auditor remuneration - for audit of these financial statements	<u>5,000</u>	<u>5,000</u>

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

No (2018: no) remuneration was paid to the directors of the company for their services to the company as directors.

3 Debtors

	2019 £	2018 £
Amounts falling due within one year		
Loan to parent company	260,000	260,000
Amounts owed by group undertakings	<u>7,929,997</u>	<u>6,853,829</u>
Total debtors	<u><u>8,189,997</u></u>	<u><u>7,113,829</u></u>

4 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	5,748,474	5,816,683
Other taxation & social security	211,176	163,331
Accruals & deferred income	<u>1,970,347</u>	<u>873,815</u>
	<u><u>7,929,997</u></u>	<u><u>6,853,829</u></u>

The amounts falling due within one year are unsecured, free of interest, and have no fixed date of repayment.

CEMEX UK MARINE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid 260,000 (2018: 260,000) Ordinary shares of £1 each	<u>260,000</u>	<u>260,000</u>

6 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.

7 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.

8 Accounting estimates and Judgements

There are no significant estimates and assumption in these accounts.