

Registered number: 837688

CEMEX UK PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



CEMEX UK PROPERTIES LIMITED

COMPANY INFORMATION

<i>Directors</i>	S. Redwood V. Puri
<i>Company secretary</i>	E.J. Ashenden
<i>Registered number</i>	837688
<i>Registered office</i>	CEMEX House Evreux Way Rugby Warwickshire CV21 2DT
<i>Independent auditor</i>	KPMG LLP Chartered Accountants One Snowhill Snow Hill Queensway Birmingham B4 6GH

CEMEX UK PROPERTIES LIMITED

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CEMEX UK PROPERTIES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report on the Company and financial statements for the year ended 31 December 2021.

Principal activity, business review and future developments

The principal activity of the Company is to maximize the disposal receipts from the sale of surplus property of CEMEX's UK operations.

The Company has identified a portfolio of sites within the CEMEX UK portfolio where there is a good prospect of obtaining planning permission for valuable after use, for example housing. The Company expends monies on the preparation of outline planning applications, in order to secure planning permission and making representations to Local Authorities to allocate sites identified in the portfolio for inclusion for development in their Local Plans. This involves the instruction and project management of consultants to prepare the required reports, to justify permission being granted. The expenditure is mainly held in Work in Progress which is then released against sale proceeds. The majority of proposals are for housing development.

Once a valuable outline planning permission is secured, the property is then marketed to the housing development industry via property agents. The Company does not carry out development itself and will normally leave the obtaining of reserved matters to a developer. The disposal price is then negotiated and the Company then manages the sale process, in order to secure the maximum proceeds in a timely manner.

In addition to the above, the Company manages the sale of CEMEX UK surplus property where there is no prospect of obtaining planning permission for a valuable after-use. As above, the Company then manages the sale process in order to secure the maximum proceeds in a timely manner.

A number of properties where there is planning potential and are not required by the operations, are managed by the company to ensure that income generation is maximized.

Market Conditions

A significant change in the UK's planning environment in 2014, due to the introduction of the National Planning Policy Framework (NPPF) in 2012, this has now been replaced by a new NPPF in February 2019. Both documents have resulted in a pressure for Local Authorities to ensure there is a 5 year land supply of housing land within their areas. The Company monitors the Local Authorities planning policies, 5 year land supply and consults with the local communities to ascertain whether there are good prospects of obtaining planning permission. The Company will submit planning applications for development at the appropriate time.

The Housing developers have recently been more reluctant to progress the obtaining of outline planning permissions, preferring to buy sites with outline planning permission in place, as provided by the Company and then progressing the reserved matters.

The market for Housing development sites has been reasonably buoyant in recent years due to restriction of supply. The Company continues to progress a number of planning applications in areas where there is a good development land market.

CEMEX UK PROPERTIES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial key performance indicators

The Key Performance Indicator for the Company is the value of continued sales, including that of development of land to maximise the UK's sales proceeds from land and buildings no longer required for operational use and ensuring that a supply of development land is brought forward to contribute to the UK's 5 year business plan. In addition, the Company ensures that the Work in Progress is kept to manageable levels.

This report was approved by the board on 30 September 2022 and signed on its behalf.



V. Puri
Director

CEMEX UK PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity, business review and future developments

The principal activity of the Company throughout the year continued to be the development for sale of land and buildings and the provision of property services to the group.

The results for the year were satisfactory and the directors do not expect any material change in the Company's affairs in the foreseeable future.

Turnover for the year amounted to £98,161 (2020 £178,851).

Results and dividends

The loss for the year, after taxation, amounted to £551,838 (2020 (£96,849)).

The loss was transferred from reserves.

The directors do not recommend the payment of a dividend (2020: £nil).

Directors

The directors who served during the year were:

S. Redwood
V. Puri

The Company is a wholly owned subsidiary and the interests of the CEMEX directors who are also directors of the ultimate parent company are disclosed in the financial statements of CEMX S.A.B de C.V. The Company's immediate parent undertaking and controlling party is CEMEX Investments Limited, which is incorporated in Great Britain.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

CEMEX UK PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

This report was approved by the board on **30 September 2022** and signed on its behalf.



V. Puri
Director

CEMEX House
Evreux Way
Rugby
Warwickshire
CV21 2DT
United Kingdom

CEMEX UK PROPERTIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 judgments and accounting 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 PROPERTIES LIMITED

Opinion

We have audited the financial statements of CEMEX UK Properties Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of 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 2021 and of its loss 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").

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 due to the nature of sales within the entity. Sales activities have decreased significantly over recent years as the property portfolio has reduced. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK PROPERTIES LIMITED (CONTINUED)

criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

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.

Strategic report and Directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEMEX UK PROPERTIES LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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

30 September 2022

CEMEX UK PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	2	98,161	178,851
Cost of sales		-	-
Gross profit		<u>98,161</u>	<u>178,851</u>
Administrative expenses		(651,286)	(277,904)
Operating loss		<u>(553,125)</u>	<u>(99,053)</u>
Interest receivable and similar income	5	1,287	2,204
Loss before tax		<u>(551,838)</u>	<u>(96,849)</u>
Tax on loss	6	-	-
Loss for the financial year		<u>(551,838)</u>	<u>(96,849)</u>
Other comprehensive income for the year		-	-
Total comprehensive (expense) for the year		<u>(551,838)</u>	<u>(96,849)</u>

The notes on pages 13 to 21 form part of these financial statements.

CEMEX UK PROPERTIES LIMITED
REGISTERED NUMBER: 837688

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Stocks	7	1,120,573	1,757,646
Debtors	8	46,475,453	54,470,304
Cash at bank and in hand		678,655	3,202,603
		<u>48,274,681</u>	<u>59,440,553</u>
Creditors: amounts falling due within one year	9	(139,684)	(10,684,478)
Net current assets		<u>48,134,997</u>	<u>48,756,075</u>
Total assets less current liabilities		<u>48,134,997</u>	<u>48,756,075</u>
Provisions for liabilities			
Other provisions	10	(772,572)	(841,812)
Net assets		<u><u>47,362,425</u></u>	<u><u>47,914,263</u></u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		47,362,325	47,914,163
		<u><u>47,362,425</u></u>	<u><u>47,914,263</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2022.



V. Puri
Director

The notes on pages 13 to 21 form part of these financial statements.

CEMEX UK PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	100	47,914,163	47,914,263
Comprehensive loss for the year			
Loss for the year	-	(551,838)	(551,838)
Other comprehensive income for the year	-	-	-
Total comprehensive expense for the year	-	(551,838)	(551,838)
Total transactions with owners	-	-	-
At 31 December 2021	100	47,362,325	47,362,425

The notes on pages 13 to 21 form part of these financial statements.

CEMEX UK PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	48,011,012	48,011,112
Comprehensive income for the year			
Loss for the year	-	(96,849)	(96,849)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(96,849)	(96,849)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<u>100</u>	<u>47,914,163</u>	<u>47,914,263</u>

The notes on pages 13 to 21 form part of these financial statements.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

CEMEX UK Properties Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 837688 and the registered address is CEMEX House, Evreux Way, Rugby, Warwickshire, CV21 2DT, United Kingdom.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 14).

The functional and presentational currency of these financial statements is GBP 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 13.

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:

- 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 following principal accounting policies have been applied:

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.3 Going concern

The company has net current assets of £48,134,997 as at 31 December 2021 and made a loss for the year then ended of £551,838. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

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 indicate 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 funding from its ultimate parent company, CEMEX S.A.B de C.V., to meet its liabilities as they fall due for that period. CEMEX S.A.B de C.V. has indicated its intention to continue to make available such funds as are needed by the company, for the going concern period. 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.

1.4 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 13.

1.5 Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus 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.

1.6 Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.7 Turnover

Turnover comprises the proceeds from sales of property that the company owns.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 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 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.

1.10 Interest receivable and interest payable

Interest payable and similar charges include interest payable. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

1.11 Pensions and post- retirement benefits

The company participates in group funded defined benefit schemes. Details of these schemes are disclosed in the accounts of CEMEX UK Operations Limited. The contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. These funds are valued at least triennially, and the funding payments are assessed in accordance with the advice of an independent professionally qualified actuary. The annual cost of these pension arrangements is charged in arriving at the operating profit or loss for the year.

An adjustment is made by CEMEX UK Operations Limited on a group basis so as to provide pension costs over the period of service of members of the schemes.

The defined benefit scheme was closed to future accrual for all members with effect from 1 March 2012. All existing and new employees are eligible to join the defined contribution section of the scheme.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.12 Stocks

The company identifies properties owned by the CEMEX group that are no longer required for group activities and seeks to maximise the net proceeds of sale of those properties by methods including the obtaining of planning permission and site assembly. Costs incurred on those properties are included in work in progress or are immediately written off. Where it seems unlikely that the property will be sold in the near future, the costs are written off in the accounts of the company. Stock and work in progress are stated at the lower of cost and net realisable value.

1.13 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.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Turnover

All turnover is derived from the proceeds of sales of properties managed by the company and fees charged to fellow group undertakings in respect of these sales. All turnover is derived in the UK.

3. Auditor's remuneration

	2021 £	2020 £
Auditor's remuneration for the audit of these financial statements	<u>53,750</u>	<u>50,050</u>

The Auditor's remuneration shown above was borne by other group undertakings.

4. Employees

The directors did not provide material qualifying services to the Company in the current or preceding year. The remuneration for directors is borne by another group entity.

The Company had no employees in 2021 (2020: no employees).

5. Interest receivable and similar income

	2021 £	2020 £
Interest receivable on financial assets at amortised cost	1,287	2,204
Total interest receivable and similar income	<u>1,287</u>	<u>2,204</u>

6. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

CEMEX UK PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss) on ordinary activities before tax	<u>(551,838)</u>	<u>(96,849)</u>
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(104,849)	(18,401)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	134,050	(1,407)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	8,088
Group relief	(29,201)	11,720
Total tax charge for the year	<u>-</u>	<u>-</u>

The 19% rate of corporation tax was substantively enacted on 17 March 2020.

On 3 March 2021 the Chancellor confirmed in his Budget speech that the main rate of corporation tax will rise from 19% to 25% with effect from 1 April 2023. This was substantively enacted on 24 May 2021.

In September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing the previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 December 2021.

Deferred tax is therefore measured at 19% or 25% depending on when the deferred tax assets and liabilities are expected to reverse.

There are no deferred tax assets or liabilities.

CEMEX UK PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Stocks

	2021 £	2020 £
Work in progress (land and properties to be sold)	1,120,573	1,767,646
	<u>1,120,573</u>	<u>1,767,646</u>

The write-down of stock in the year amounted to £635,394 and was included in admin expenses.

8. Debtors

	2021 £	2020 £
Due within one year		
Amounts owed by group undertakings	45,910,072	54,122,006
Loans to group undertakings	292,905	291,631
Other debtors	272,476	56,667
	<u>46,475,453</u>	<u>54,470,304</u>

Amounts owed by group undertakings are unsecured.

The loan to group undertakings is unsecured and repayable on demand. The amount owed has an interest rate of 3m GBP Libor +36bps. The directors do not expect it to be repaid within one year.

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	89,994	93,661
Amounts owed to group undertakings	2,337	10,541,785
Other creditors	-	-
Accruals and deferred income	47,353	49,032
	<u>139,684</u>	<u>10,684,478</u>

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Provisions

	Total £
Balance at 1 January 2021	841,812
Provided in year	3,000
Utilised in year	(1,500)
Released in year	(70,740)
	<hr/>
Balance at 31 December 2021	772,572
	<hr/>

All provisions relate to expenditure required on property development sites and are expected to be utilised in the next 5 years. The directors are of the opinion that the impact of discounting is immaterial.

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

12. 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. The directors do not expect that the Company will incur any financial losses as a result of this guarantee.

13. **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 undertaking and ultimate 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.

CEMEX UK PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are reviewed on an ongoing basis. The key estimate and judgement relate to the evaluation of work in progress balances (stock) which are evaluated based on future anticipated property sales. Where no future sale is considered likely work in progress (stock) is written off to the profit and loss.

15. Pension commitments

The Company has participated in the defined benefit pension scheme operated by CEMEX Investments Limited for its UK employees, with assets held in a separately administered fund. This scheme operated until 29 February 2012. It has been closed to new members since 1st January 2004, and was closed to future accrual for all members with effect from 1st March 2012. An actuarial valuation of the scheme was undertaken as at 31 March 2021 and actuarial deficit of £45m was identified.

An asset backed funding arrangement has been put in place in CEMEX UK Operations Limited to manage its pension obligations. The arrangement is described in more detail in the accounts of CEMEX UK Operations Limited.

All existing and new employees are eligible to join the defined contribution section of the scheme. The contributions payable by the Company to the defined contribution scheme amounted to £nil (2020: £nil).