

Registered no: 02209994

Titan Cement UK Limited

**Annual Report and Financial Statements
for the year ended 31 December 2009**

Titan Cement UK Limited

Independent auditor's report to the members of Titan Cement UK Limited

We have audited the financial statements of Titan Cement UK Limited for the year ended 31 December 2009 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Titan Cement UK Limited

Independent auditor's report to the members of Titan Cement UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Richard Frostick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull
Date:*

Notes:

1. The maintenance and integrity of the Titan Cement UK Limited and its parent company's web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of financial position as at 31 December 2009

	Note	31 December 2009 £	31 December 2008 £	1 January 2008 £
Assets				
Non-current assets				
Property, plant and equipment	4	193,906	230,430	229,113
Investments in subsidiary undertaking	5	2	2	2
		193,908	230,432	229,115
Current assets				
Inventories	6	1,187,344	1,410,518	981,761
Trade and other receivables	7	1,557,010	1,847,766	3,672,581
Cash and cash equivalents	8	1,207,664	181,716	642,535
		3,952,018	3,440,000	5,296,877
Total assets		4,145,926	3,670,432	5,525,992
Equity and liabilities				
Equity attributable to owners of the parent				
Ordinary shares	9	2,200,000	2,200,000	2,200,000
Retained earnings	10	(171,778)	(458,925)	344,474
Total equity		2,028,222	1,741,075	2,544,474
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	11	32,385	38,692	39,843
Current liabilities				
Trade and other payables	12	1,996,036	1,857,256	2,941,675
Current income tax liabilities		89,283	33,409	-
		2,085,319	1,890,665	2,941,675
Total liabilities		2,117,704	1,929,357	2,981,518
Total equity and liabilities		4,145,926	3,670,432	5,525,992

The notes on pages 11 to 24 are an integral part of these financial statements.

The financial statements on pages 7 to 24 were authorised for issue by the Board of Directors on 2010 and were signed on its behalf by:

D Hadjicostantis
Director

Titan Cement UK Limited

Statement of comprehensive income for the year ended 31 December 2009

		2009	2008
	Note	£	£
Revenue	3	9,046,828	8,092,679
Cost of sales	13	(6,881,161)	(6,672,707)
Gross profit		2,165,667	1,419,972
Distribution costs	13	(884,520)	(861,023)
Administrative expenses	13	(325,542)	(339,600)
Exceptional item	13	(500,000)	(1,000,000)
Operating profit/(loss)		455,605	(780,651)
Finance income	16	992	29,822
Finance costs	16	(127)	(63)
Finance income – net	16	865	29,759
Profit/(loss) before income tax		456,470	(750,892)
Income tax expense	17	(169,323)	(52,507)
Total comprehensive income/(loss)		287,147	(803,399)

All of the activities of the company in 2009 and 2008 relate to continuing operations.

The notes on pages 11 to 24 are an integral part of these financial statements.

Titan Cement UK Limited

Statement of changes in equity for the year ended 31 December 2009

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2008	2,200,000	344,474	2,544,474
Changes in equity for 2008			
Total comprehensive loss for the year	-	(803,399)	(803,399)
Balance at 31 December 2008	2,200,000	(458,925)	1,741,075
Changes in equity for 2009			
Total comprehensive income for the year	-	287,147	287,147
Balance at 31 December 2009	2,200,000	(171,778)	2,028,222

The notes on pages 11 to 24 are an integral part of these financial statements.

Titan Cement UK Limited

Statement of cashflows for the year ended 31 December 2009

	Note	2009 £	2008 £
Cash flows from operating activities			
Cash generated from/(used in) operations	20	1,145,268	(465,693)
Interest paid		(127)	(63)
Interest received		992	29,822
Income tax (paid)/received		(119,755)	12,229
Net cash generated from/(used in) operating activities		1,026,378	(423,705)
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		-	1,548
Purchase of property, plant & equipment		(430)	(38,662)
Net cash used in investing activities		(430)	(37,114)
Net increase/(decrease) in cash and cash equivalents		1,025,948	(460,819)
Cash and cash equivalents at 1 January		181,716	642,535
Cash and cash equivalents at 31 December	8	1,207,664	181,716

The notes on pages 11 to 24 are an integral part of these financial statements.

20 Cash generated from/(used in) operations

	2009	2008
	£	£
Profit/(loss) before income tax	456,470	(750,892)
Adjustments for:		
Exceptional item (note 13)	500,000	1,000,000
Depreciation	36,954	35,370
Loss on disposal of property, plant & equipment	-	418
Interest income	(992)	(29,822)
Interest expense	127	63
Changes in working capital:		
Decrease/(increase) in inventories	223,173	(428,757)
(Increase)/decrease in trade and other receivables	(209,244)	792,346
Increase/(decrease) in trade and other payables	138,780	(1,084,419)
Cash generated from/(used in) continuing operations	1,145,268	(465,693)