

Registered no: 02209994

Titan Cement UK Limited
Annual Report and Financial Statements
for the year ended 31 December 2010

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 2010 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 (IFRS) 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 and express an opinion on 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 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS 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:*

**Statement of financial position
as at 31 December 2010**

	Note	2010 £	2009 £
Assets			
Non-current assets			
Property, plant and equipment	4	172,032	193,906
Investment in subsidiary undertaking	5	2	2
		172,034	193,908
Current assets			
Inventories	7	1,194,792	1,187,344
Trade and other receivables	8	991,979	1,557,010
Cash and cash equivalents	9	1,620,516	1,207,664
		3,807,287	3,952,018
Total assets		3,979,321	4,145,926
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	10	2,200,000	2,200,000
Retained earnings	11	23,335	(171,778)
Total equity		2,223,335	2,028,222
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	12	30,333	32,385
Current liabilities			
Trade and other payables	13	1,646,538	1,996,036
Current income tax liabilities		79,115	89,283
		1,725,653	2,085,319
Total liabilities		1,755,986	2,117,704
Total equity and liabilities		3,979,321	4,145,926

The notes on pages 11 to 28 are an integral part of these financial statements.

The financial statements on pages 7 to 28 were authorised for issue by the Board of Directors on 2011 and were signed on its behalf by:

D Hadjicostantis
Director

Titan Cement UK Limited

Statement of comprehensive income for the year ended 31 December 2010

	Note	2010 £	2009 £
Revenue	3	9,630,410	9,046,828
Cost of sales	14	(7,594,889)	(6,881,161)
Gross profit		2,035,521	2,165,667
Distribution costs	14	(1,111,117)	(884,520)
Administrative expenses	14	(307,382)	(325,542)
Exceptional administrative expenses	14	(250,000)	(500,000)
Operating profit		367,022	455,605
Finance income – net	17	654	865
Profit before income tax		367,676	456,470
Income tax expense	18	(172,563)	(169,323)
Total comprehensive income		195,113	287,147

All of the activities of the company in 2010 and 2009 relate to continuing operations.

There are no items of other comprehensive income recorded directly in equity.

The notes on pages 11 to 28 are an integral part of these financial statements.

Titan Cement UK Limited

Statement of changes in equity for the year ended 31 December 2010

	Attributable to owners of the parent		
	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2009	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
Changes in equity for 2010			
Total comprehensive income for the year	-	195,113	195,113
Balance at 31 December 2010	2,200,000	23,335	2,223,335

The notes on pages 11 to 28 are an integral part of these financial statements.

Titan Cement UK Limited

Statement of cashflows for the year ended 31 December 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Cash generated from operations	21	613,205	1,145,268
Interest paid		-	(127)
Interest received		654	992
Income tax paid		(184,761)	(119,755)
Net cash generated from operating activities		429,098	1,026,378
Cash flows from investing activities			
Purchase of property, plant & equipment		(16,246)	(430)
Net cash used in investing activities		(16,246)	(430)
Net increase in cash and cash equivalents		412,852	1,025,948
Cash and cash equivalents at 1 January		1,207,664	181,716
Cash and cash equivalents at 31 December	9	1,620,516	1,207,664

The notes on pages 11 to 28 are an integral part of these financial statements.

Titan Cement UK Limited

21 Cash generated from operations

	2010	2009
	£	£
Profit before income tax	367,676	456,470
Adjustments for:		
Exceptional item (notes 8 & 14)	250,000	500,000
Depreciation (note 4)	38,098	36,954
Interest income (note 17)	(654)	(992)
Interest expense (note 17)	-	127
Changes in working capital:		
Inventories	(7,448)	223,173
Trade and other receivables	315,031	(209,244)
Trade and other payables	(349,498)	138,780
Cash generated from continuing operations	613,205	1,145,268