

COMPANY NUMBER: 4895833

**CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

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CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and audited financial statements for the year ended 31 December 2005.

Principal activity, business review and future developments

The principal activity of the Company continues to be the winning of aggregates, 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 (formerly RMC (UK) 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.

On 1 March 2005, the Company's previous ultimate parent undertaking, CEMEX Investments Limited (previously RMC Group p.l.c.), was acquired by CEMEX UK Limited, a subsidiary of CEMEX, S.A. de C.V. which became the ultimate parent undertaking.

Change of Name

On 22 July 2005, the company changed its name from RMC Materials Limited to CEMEX UK Materials Limited.

Interests in land

All the company's interests in land are held in trust on behalf of CEMEX UK Operations Limited.

Directors and their interests

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

M D Carr	(resigned 25 November 2005)
I J Haldane	(resigned 1 June 2006)
G G Hepburn	(resigned 1 November 2005)
P D Hooson	(resigned 29 June 2005)
C A Leese	
J S Napier	
D S Neave	(resigned 4 March 2005)
M A Ogden	
I Ortiz	(appointed 22 April 2005)
P A Trow	
J S Wilkinson	

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

Directors and their interests (continued)

The interests of the directors holding office at the end of the year in the ordinary shares and share options of CEMEX Investments Limited (formerly RMC Group plc) were:

	Fully paid shares			Options to purchase shares			
	31 Dec 2005	1 Jan 2005 or date of appointment	31 Dec 2005	Exercised during year	Cash cancelled on acquisition	Lapsed on acquisition	1 Jan 2005 or date of Appointment
I J Haldane	Nil	672	4,002	4,528	19,972	Nil	28,502
C A Leese	Nil	875	3,551	Nil	48,000	2,654	54,205
J S Napier	Nil	Nil	Nil	Nil	Nil	Nil	Nil
M A Ogden	Nil	Nil	Nil	Nil	Nil	Nil	Nil
I Ortiz	Nil	Nil	Nil	Nil	Nil	Nil	Nil
P A Trow	Nil	872	1,113	726	36,500	2,654	40,993
J S Wilkinson	Nil	2,632	3,674	4,528	26,972	2,654	37,828

None of the directors had any material interests in any shares, contract or arrangement subsisting during the year with the Company or any other body corporate in the group that are required to be disclosed under Schedule 7 of the Companies Act 1985, other than as disclosed above.

Statutory dispensation

The Company has in force, under section 379A of the Companies Act 1985, an election dispensing with the laying of accounts and reports before the Company in General Meeting, the holding of an Annual General Meeting and the obligation to appoint auditors annually.

Auditors

During the year the directors appointed KPMG LLP as the company's auditors.

By order of the board


M L Collins
Secretary

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

29 January 2007

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
FOR THE YEAR ENDED 31 DECEMBER 2005

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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.

The financial statements are required by law to 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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 auditors' report to the members of CEMEX UK Materials Limited (formerly RMC Materials Limited)

We have audited the financial statements of CEMEX UK Materials Limited for the year ended 31 December 2005 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 described in the statement of directors' responsibilities on page 3, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is *not disclosed*.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
BIRMINGHAM

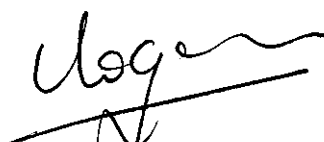
29 January 2007

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
BALANCE SHEET
AT 31 DECEMBER 2005

	Notes	2005 £	2004 (Restated) £
Current assets			
Debtors	5	145,482,032	151,543,998
Creditors: amounts falling due within one year	6	<u>(145,482,031)</u>	<u>(151,435,997)</u>
Net current assets		<u>1</u>	<u>108,001</u>
Creditors: amounts falling due after more than one year	7	<u>-</u>	<u>(108,000)</u>
Net Assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	8	<u>1</u>	<u>1</u>

There are no recognised gains or losses for the year ended 31 December 2005 or 31 December 2004 and therefore no statement of total recognised gains and losses has been presented.

These financial statements were approved by the board of directors on 29 January 2007 and were signed on its behalf by:


M A Ogden
Director

The notes on pages 6 to 8 form part of these financial statements.

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

In these financial statements the following new standards have been adopted for the first time:

FRS 21 "Events after the balance sheet date"

FRS 28 "Corresponding amounts"

The new standards listed above have no impact on these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by CEMEX, S.A. de C.V., the Company has taken advantage of the exemption contained in FRS 8 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. de C.V., within which this Company is included, can be obtained from the address given in note 10.

Prior period restatement

The Company acts as an undisclosed agent on behalf of CEMEX UK Operations Limited ('the principal'). Where an undisclosed agent contracts with a third party and liabilities are incurred, the agent remains liable to those third parties on its own account and recovers the amounts due to those third parties from its principal. Previously, the Company prepared dormant accounts as though it operated as a disclosed agent and therefore did not account for the third party liabilities or the amounts due from its principal. The prior year balance sheet has therefore been restated to correctly recognise the third party liabilities and amounts due from its principal. The result of this is to increase short term third party creditors by £151,435,997, and long term third party creditors by £108,000. Similarly the short term inter-company receivable from CEMEX UK Operations has increased by the £151,543,997. There is no impact on the net assets of the Company.

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

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

3. Turnover

Turnover represents gross amounts 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. Directors' emoluments

No remuneration was paid to the directors of the company for their services to the company as directors.

5. Debtors

	2005	2004 (Restated)
	£	£
Amount falling due within one year:		
Loan to Parent company	1	1
Amounts owed by group undertakings	145,482,031	151,543,997
	<u>145,482,032</u>	<u>151,543,998</u>

These amounts are unsecured, free of interest, and have no fixed date of payment.

6. Creditors: amounts falling due within one year

	2005	2004 (Restated)
	£	£
Trade creditors	70,471,020	82,952,000
Capital creditors	928,967	643,382
Other creditors	4,196,259	2,630,697
Other taxation & social security	34,956,357	33,054,918
Accruals & deferred income	34,929,428	32,155,000
	<u>145,482,031</u>	<u>151,435,997</u>

CEMEX UK MATERIALS LIMITED
(Formerly RMC MATERIALS LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2005

7. Creditors: amounts falling due after more than one year

	2005	2004 (Restated)
	£	£
Other creditors	<u>-</u>	<u>108,000</u>

8. Called up share capital

	2005	2004
	£	£
Authorised share capital	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 1 Ordinary share of £1	<u>1</u>	<u>1</u>

9. Contingent liabilities

The Company is registered with H M Revenue & Customs as 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.

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

The Company's immediate parent undertaking 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. de C.V., 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.