

COMPANY NUMBER: 837688

CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

REPORT AND ACCOUNTS

31 December 2004



CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

DIRECTORS' REPORT

31 December 2004

The directors present their report and the audited financial statements for the year ended 31 December 2004.

Change of name

The name of the company was changed on 22 July 2005 from RMC Properties Limited to CEMEX UK Properties Limited.

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 owned by fellow group companies, the investment in properties associated with the group's activities and the provision of advisory services relating to the group.

The directors consider the company's performance for the end of the year to have been satisfactory and do not envisage any major change in the principal activity of the business over the foreseeable future.

Results and dividends

The profit for the year attributable to shareholders was £724,229 (2003: £648,156) and was transferred to reserves. The directors do not recommend the payment of a dividend (2003: £Nil).

Post balance sheet event

On 1 March 2005 the company's ultimate parent company, RMC Group p.l.c., was acquired by means of a Scheme of Arrangement under section 425 of the Companies Act by CEMEX UK Limited, and consequently the ultimate parent company has become CEMEX, S.A. de C.V. which is incorporated in Mexico. On 2 March 2005 RMC Group p.l.c. was reregistered as private company, RMC Group Limited, which changed its name to CEMEX Investments Limited on 22 July 2005.

Interests in land

In the opinion of the directors, the current open market value of the company's interests are not materially different from the amount at which the assets are included in the balance sheet at 31 December 2004 of £352,165 (2003: £39,492).

Directors and their interests

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

S Barrett	(appointed 1 April 2004)
M L Collins	(appointed 1 April 2004)
M G Foster	(resigned 6 August 2004)
J A Robinson	(resigned 1 April 2004)

CEMEX UK PROPERTIES LIMITED
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DIRECTORS' REPORT

31 December 2004

Directors and their interests (continued)

None of the directors had any interest in the share capital of the company. The interests of the directors in the share capital of RMC Group p.l.c. (now CEMEX Investments Limited) are:

	Fully Paid Shares		31 Dec 2004	Options to Purchase Shares			31 Dec 2003 or Date of Appointment
	31 Dec 2004	31 Dec 2003 or Date of Appointment		Granted During Year	Exercised During Year	Lapsed During Year	
S Barrett	672	487	46,154	7,500	-	-	38,654
M L Collins	809	809	53,927	7,822	-	-	46,105

Under the Scheme of Arrangement mentioned earlier, the share options may be surrendered in return for a cash payment equal to the difference between the option exercise price and £8.55.

None of the directors had any material interests in any contract or arrangement subsisting during the year with the company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

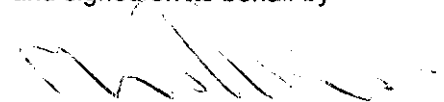
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Approved by the Board on 27 October 2005.
 and signed on its behalf by



Secretary

**CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)**

Independent auditors' report to the members of CEMEX UK Properties Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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 of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

27 October

2005

CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

PROFIT AND LOSS ACCOUNT

for year ended 31 December 2004

	Note	2004 £	2003 £
Turnover	2	1,938,070	1,454,804
Cost of sales		(1,189,007)	(735,896)
Gross profit		<u>749,063</u>	<u>718,908</u>
Administrative expenses		(70,259)	(68,752)
Operating profit	3	<u>678,804</u>	<u>650,156</u>
Interest receivable and similar income	5	45,425	-
Profit on ordinary activities before taxation		<u>724,229</u>	<u>650,156</u>
Tax charge on profit on ordinary activities	6	-	(2,000)
Retained profit for the financial year		<u>724,229</u>	<u>648,156</u>
Movement on profit and loss account			
Retained profit/(loss) at 1 January		452,189	(195,967)
Retained profit for the financial year		724,229	648,156
Retained profit at 31 December		<u>1,176,418</u>	<u>452,189</u>

All the operations in 2004 and 2003 were continuing operations and there were no acquisitions in either year.

In 2004 and 2003 the company had no recognised gains or losses other than the profit for the financial year, and therefore no statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation for the year and the retained profit stated above, and their historical cost equivalents.

at 31 December 2004

The financial statements on pages 4 to 11 were approved by the Board of Directors on 27 October 2005 and signed on its behalf by:

S Barrett - Director

CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

NOTES TO THE ACCOUNTS

31 December 2004

1. Principal accounting policies

The accounts are prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom, on a going concern basis.

A summary of the more significant accounting policies which have been applied consistently throughout the year, is shown below.

Basis of accounting - accounting convention

The accounts have been prepared using the historical cost convention.

Turnover

Turnover principally comprises rents, property sales and professional services at invoiced value, excluding value added tax.

Disposals of properties

Disposals of properties arise from the ordinary activities of the company and profits and losses thereon are included in the operating profit for the financial year. Disposals of properties are recognised on completion.

Pensions

The company's pension obligations are financed by payments to group funded defined benefit schemes, details of which are disclosed in the accounts of RMC Group Limited (formerly RMC Group p.l.c.). Whilst FRS 17 has not been adopted early, the contributions paid by the Company will be accounted 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 when FRS 17 is adopted. 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 for the year. Adjustment is made by CEMEX Investments Limited (formerly RMC Group p.l.c.) on a group basis so as to provide pension costs over the period of service of members of the schemes.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation

Provision for deferred tax is made on all timing differences that have originated, but not reversed at the balance sheet date. A deferred tax asset is regarded as recoverable and therefore recognised only when it is regarded as more likely than not that there will be sufficient future taxable profits. Deferred tax is not discounted.

CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

NOTES TO THE ACCOUNTS

31 December 2004

1. Principal accounting policies (continued)

Stock

Stock and work in progress are stated at the lower of cost and net realisable value. Stock comprises land assets. Work in progress comprises site development costs where there is a reasonable expectation of their recovery upon sale.

2. Turnover

All turnover arose within the United Kingdom and related to the company's principal activity.

3. Operating profit

2004
£ **2003**
£

Operating profit is stated after charging:

Operating lease rentals – other than plant and machinery	11,115	11,641
Auditors' remuneration – audit services	2,490	2,500
	13,605	14,141

4. Employee costs

2004
£ **2003**
£

Staff costs during the year

Wages and salaries	229,928	226,056
Social security costs	26,944	20,246
Other pension costs	44,659	19,906
	301,531	266,208

Average number of persons employed by the company during the year

2004
No. **2003**
No.

Property development and advisory services	6	6
	6	6

Directors' emoluments

2004
£ **2003**
£

Aggregate emoluments	58,060	52,422
	58,060	52,422

2004
No. **2003**
No.

Number of directors to whom retirement benefits are accruing under a defined benefit scheme in respect of qualifying services

1	1	
	1	1

CEMEX UK PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS

31 December 2004

5.	Interest receivable and similar income	2004	2003
		£	£
	Interest receivable from parent company	45,425	-
		<hr/>	<hr/>
6.	Tax charge on profit on ordinary activities	2004	2003
		£	£
	Analysis of taxation charge		
	Current taxation:		
	United Kingdom corporation tax at the rate of 30% (2003: 30%) on the profits on ordinary activities for the year	-	-
	Deferred taxation:		
	Adjustments in respect of previous periods	-	2,000
	Tax charge on profit on ordinary activities	<hr/> -	<hr/> 2,000
	Reconciliation of current tax charge	<hr/>	<hr/>
	The corporation tax for the period is less (2003: less) than the standard rate of 30%. The reasons for the difference are explained below:		
	Profit on ordinary activities before tax	724,229	650,156
	Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2003: 30%)	<hr/> 217,269	<hr/> 195,047
	Adjustment for effect of:		
	Group losses claimed without payment	(217,060)	(194,800)
	Rounding adjustment	(209)	(247)
	Current tax charge for the period	<hr/> -	<hr/> -
		<hr/>	<hr/>
	There are no known specific factors that will impact the tax charge in future years.		
7.	Stock	2004	2003
		£	£
	Land and buildings	352,165	39,492
	Work in progress	3,982,738	6,326,943
		<hr/> 4,334,903	<hr/> 6,366,435
		<hr/>	<hr/>

CEMEX UK PROPERTIES LIMITED
(formerly RMC PROPERTIES LIMITED)

NOTES TO THE ACCOUNTS

31 December 2004

8. Debtors	2004	2003
	£	£
Amounts falling due within one year		
Trade debtors	5,350	5,350
Amounts owed by parent undertaking	14,429,893	-
Other debtors	8,880	-
Prepayments and accrued income	10,599	9,956
	<u>14,454,722</u>	<u>15,306</u>

The amount owed by the parent undertaking is unsecured, has no fixed date of repayment, and attracts interest at the group's standard rates.

9. Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	155,585	195,910
Amounts owed to fellow subsidiary undertakings	17,387,833	3,736,760
Other taxation and social security	-	14,603
Amounts owed to parent undertaking	-	1,151,576
Accruals and deferred income	69,689	830,703
	<u>17,613,107</u>	<u>5,929,552</u>

The amounts owed to group companies are unsecured, free of interest, and have no fixed date of repayment.

10. Deferred taxation

Deferred taxation has been recognised at the rate of 30% (2003: 30%) on the following timing differences:

	2004	2003
	£	£
Accelerated capital allowances and expense provisions	-	-
At 31 December	<u>-</u>	<u>-</u>
Movement in the year		
Deferred tax asset at 1 January	-	2,000
(Charge) to profit and loss account for the period	-	(2,000)
Deferred tax asset at 31 December	<u>-</u>	<u>-</u>

CEMEX UK PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS

31 December 2004

11. Called up share capital	2004	2003
	£	£
Authorised share capital allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
12. Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Retained profit for the financial year	724,229	648,156
Opening equity shareholders' funds/(deficit)	452,289	(195,867)
Closing equity shareholders' funds	<hr/> 1,176,518 <hr/>	<hr/> 452,289 <hr/>

13. Contingent liabilities

The company has entered into a joint and several guarantee with certain group companies guaranteeing a group bank overdraft facility of £100,000,000 for RMC Group p.l.c. (now CEMEX Investments Limited).

The company is registered with H M Customs & Excise as a member of the former RMC 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.

14. Obligations and commitments under leases	2004	2003
	£	£
Operating leases		
At 31 December the company had annual commitments under non-cancellable operating leases expiring as follows:		
- within one year	-	-
- within two to five years	-	7,954
	<hr/> - <hr/>	<hr/> 7,954 <hr/>

There are no obligations in respect of land & buildings.

15. Pension commitments

The company participates in a defined benefit pension scheme operated by CEMEX Investments Limited (formerly RMC Group p.l.c.) for its UK employees, with assets held in a separately administered fund. However, 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. The cost of contributions of the group scheme amounted to £44,659 (2003: £19,906), being 16.6% (2003: 5%) of pensionable salary, and is based on the pension costs across the group as a whole. An actuarial valuation of the scheme was undertaken as at 31 March 2003 and an actuarial deficit of £19,600,000 was identified. It was agreed with the Trustees that contributions to the scheme be increased from 1 January 2004 until at least the next valuation is due which will be no later than 31 March 2006. The defined benefit section of the scheme was closed to new employees with effect from 1 January 2004. All new employees are offered membership of a defined contribution section of the scheme.

CEMEX UK PROPERTIES LIMITED
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NOTES TO THE ACCOUNTS

31 December 2004

16. Cash flow statement

As the company was a wholly owned subsidiary undertaking of RMC Group p.l.c. (later reregistered as RMC Group Limited), its ultimate controlling party which publishes consolidated financial statements including this company which are publicly available, it is exempt under FRS 1 (revised 1996) – Cash Flow Statements from preparing a cash flow statement.

17. Related parties

As the company was a wholly owned subsidiary undertaking of RMC Group p.l.c. (later reregistered as RMC Group Limited), its ultimate controlling party which publishes consolidated financial statements including this company, it is exempted by Financial Reporting Standard No. 8 from disclosing transactions with entities that are part of that Group or investees of that Group qualifying as related parties.

18. Ultimate parent company

As at 31 December 2004 the company's immediate parent company, ultimate parent company and controlling party was RMC Group p.l.c. (later reregistered as RMC Group Limited), which is registered in Great Britain and registered in England & Wales. RMC Group Limited is the largest and smallest group to consolidate these financial statements. Copies of that company's group accounts are available from its registered office at CEMEX House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.

19. Post Balance Sheet event

On 1 March 2005 the company's ultimate parent company, RMC Group p.l.c., was acquired by means of a Scheme of Arrangement under section 425 of the Companies Act by CEMEX UK Limited, and consequently the ultimate parent company has become CEMEX, S.A. de C.V. which is incorporated in Mexico. On 2 March 2005 RMC Group p.l.c. was reregistered as private company, RMC Group Limited, which changed its name to CEMEX Investments Limited on 22 July 2005.

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