
Independent Auditors' report to the members of Titan Cement UK Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 22. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

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Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
E&Y Hull Office

9 April 2008

**Profit and loss account
for the year ended 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Turnover	1,2	8,354,541	7,972,444
Cost of sales		(7,005,693)	(6,788,902)
		<hr/>	<hr/>
Gross profit		1,348,848	1,183,542
Selling and distribution costs		(1,016,062)	(1,071,235)
Administrative expenses		(258,068)	(252,004)
		<hr/>	<hr/>
Operating profit/(loss)	3	74,718	(139,697)
Interest receivable		38,704	30,574
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		113,422	(109,123)
Tax on profit/(loss) on ordinary activities	6	(65,991)	55,817
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation	14	47,431	(53,306)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account.

The notes on pages 9 to 18 form part of these financial statements.

**Balance sheet
as at 31 December 2007**

	Note	£	2007 £	£	2006 £
Fixed assets					
Tangible fixed assets	7		229,113		248,427
Fixed asset investments	8		2		1
			<u>229,115</u>		<u>248,428</u>
Current assets					
Stocks	9	981,761		1,193,249	
Debtors	10	3,672,581		3,892,018	
Cash at bank		642,535		272,086	
		<u>5,296,877</u>		<u>5,357,353</u>	
Creditors: amounts falling due within one year	11	(2,941,675)		(3,102,925)	
Net current assets			<u>2,355,202</u>		<u>2,254,428</u>
Total assets less current liabilities			<u>2,584,317</u>		<u>2,502,856</u>
Provisions for liabilities					
Deferred tax	12		(39,843)		(5,813)
Net assets			<u><u>2,544,474</u></u>		<u><u>2,497,043</u></u>
Capital and Reserves					
Called up share capital	13		2,200,000		2,200,000
Profit and loss account	14		344,474		297,043
Shareholders' funds	15		<u><u>2,544,474</u></u>		<u><u>2,497,043</u></u>

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



M Williamson
Director

Date: 9 April 2008

The notes on pages 9 to 18 form part of these financial statements.

**Cash flow statement
for the year ended 31 December 2007**

	<i>Note</i>	<i>2007</i> £	<i>2006</i> £
Net cash flow from operating activities	16	313,661	(528,132)
Returns on investments and servicing of finance	17	38,704	30,574
Taxation		31,812	(13,873)
Capital expenditure and financial investment	17	(13,727)	(37,744)
Acquisitions and disposals	17	(1)	-
<i>Increase/(Decrease) in cash in the year</i>		<u>370,449</u>	<u>(549,175)</u>

**Reconciliation of net cash flow to movement in net funds/debt
for the year ended 31 December 2007**

	<i>2007</i> £	<i>2006</i> £
Increase/(Decrease) in cash in the year	370,449	(549,175)
<i>Movement in net debt in the year</i>	<u>370,449</u>	<u>(549,175)</u>
Net funds at 1 January 2007	272,086	821,261
<i>Net funds at 31 December 2007</i>	<u>642,535</u>	<u>272,086</u>

The notes on pages 9 to 18 form part of these financial statements.