Titan Cement UK Limited

Annual report and financial statements

for the year ended 31 December 2013

Registered number: 02209994

Titan Cement UK Limited

Annual report and financial statements for the year ended 31 December 2013

Titan Cement UK Limited

Company information

Directors:	C Gkikas G Krystallidis N Vlassopoulos E Voulgaridis
Secretary:	Rollits Company Secretaries Limited
Registered auditors:	Ernst & Young LLP 24 Marina Court Castle Street Hull HU1 1TJ
Bankers:	Bank of America PO Box 407 5 Canada Square London E14 5AQ
Solicitors:	Rollits Wilberforce Court High Street Hull HU1 1YJ
Registered office:	No. 12 Shed King George Dock Hull HU9 5PR
Registered number:	02209994

Titan Cement UK Limited

Strategic report

for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Business review

The company continued to carry out its operations of importing and commercialisation of cement throughout the year.

During 2013, the continuation of the economic slow down created still unfavourable market conditions for the upturn of the business activity of the construction materials industry.

The continuation of fierce market competition led the company to adopt competitive trade terms and to focus on more effective marketing strategies while maintaining high level of CSR standards ensuring green operation. As a result, the company improved its market position and boosted its operating activity by 63% in terms of sales volume.

The profit for the year amounted to £2,328,905 (2012: loss £250,378).

Business performance and future developments

In 2013, the company managed to improve its market position and to increase the sales volume by 63%, however, to the expense of its organic profitability and working capital requirements.

During the year, trade receivables increased significantly due to sales activity and more competitive credit policies with the year-end balance amounting to £2,528,922, an increase of 207%. Separation Technologies UK Limited repaid its intercompany liability to the company, amounting to £1,750,000, generating cash inflows to offset the increase in trade receivables providing working capital financing.

The board has assessed that the key performance indicators that are the most effective indicators of achieving company objectives include:

Gross return on sales - gross profit as a percentage of revenue
Net return on sales - total comprehensive income as a percentage of revenue
Free cash flow - net increase in cash less tax charge for the year

The company's key performance indicators during the year were as follows:

	2013	2012	Change
	£	£	%
Gross profit	**1,999,520**	1,114,490	79%
Gross return on sales	**16.3%**	14.8%	10%
Profit/(loss) for the financial year	**2,328,905**	(250,378)	1,030%
Net return on sales	**18.9%**	(3.3)%	673%
Free cash flow	**1,032,903**	(326,800)	416%

The company shall continue to gear its business and financial strategies to the persisting adverse market conditions defending its market position and its profitability, which are expected to marginally decline, in 2014.

Titan Cement UK Limited

Strategic report

for the year ended 31 December 2013

Principal risks and uncertainties and exposure to financial risks management

The company has carried out a formal exercise to identify and assess the impact of various risks on its business.

The significant risks and uncertainties faced by the company, in line with the rest of the industry, mainly remained the same with that faced during 2012. In particular these are market competition, customer retention and pressure on margins. In addition, during 2013, the company had increasing working capital funding requirements due to the substantial increase of inventories and trade receivables as a result of the sales growth and more competitive credit terms.

These risks were mitigated by the adoption of effective commercial and financial strategies.

The company's operations expose it to a variety of financial risks. Please see note 2 to the financial statements for further information.

This report was approved by the board on April 7th and signed on its behalf by:

C Gkikas
Director

Titan Cement UK Limited

Directors' report

for the year ended 31 December 2013

The directors present their annual report and audited financial statements for the year ended 31 December 2013. These are the company's first financial statements prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council (see note 1).

Financial risks management and future developments

The financial risks management and future developments disclosure can be found in note 2 to the financial statements on page 15, and in the strategic report on page 2 respectively.

Results and dividends

The profit for the year amounted to £2,328,905 (2012: loss £250,378). The directors do not recommend the payment of a dividend for the year (2012: £Nil).

Directors

The directors who served during the year and up to the date of signing this report were:

C Gkikas
G Krystallidis
N Vlassopoulos
E Voulgaridis

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In the absence of any notice proposing to terminate their appointment, Ernst & Young LLP will be deemed to be reappointed for the next financial year. Ernst & Young LLP, have indicated their willingness to continue in office.

This report was approved by the board on April 7th and signed on its behalf by:

C Gkikas
Director

Titan Cement UK Limited

Statement of directors' responsibilities

for the year ended 31 December 2013

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, 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 appropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

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 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 5, 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Strategic report and 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

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:

Titan Cement UK Limited

Statement of comprehensive income

for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover		**12,276,045**	7,535,581
Cost of sales	3	**(10,276,525)**	(6,421,091)
Gross profit		**1,999,520**	1,114,490
Distribution costs	3	**(1,077,136)**	(633,522)
Administrative expenses	3	**(452,029)**	(736,588)
Exceptional items	4	**1,750,000**	-
Operating profit/(loss)		**2,220,355**	(255,620)
Income from fixed asset investments		**210,955**	-
Interest receivable and similar income	7	**978**	767
Interest payable and similar charges	8	**(1,028)**	-
Profit/(loss) on ordinary activities before taxation		**2,431,260**	(254,853)
Tax on profit/(loss) on ordinary activities	9	**(102,355)**	4,475
Profit/(loss) for the financial year		**2,328,905**	(250,378)

All of the activities of the company in 2013 and 2012 relate to continuing operations.

There are no recognised gains or losses for 2013 and 2012 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 are an integral part of these financial statements.

Titan Cement UK Limited

Registered no: 02209994

Statement of financial position

as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	10	**279,164**	112,639
Investment in subsidiary undertakings	11	**2**	2
		279,166	112,641
Current assets			
Stocks	12	**697,795**	1,152,664
Debtors	13	**2,666,420**	1,331,307
Cash at bank and in hand		**2,333,853**	1,192,009
		5,698,068	3,675,980
Creditors: amounts falling due within one year	14	**(703,995)**	(1,008,389)
Net current assets		**4,994,073**	2,667,591
Total assets less current liabilities		**5,273,239**	2,780,232
Creditors: amounts falling due after more than one year	15	**(134,672)**	-
Deferred taxation	17	**(46,616)**	(17,186)
Net assets		**5,091,951**	2,763,046
Capital and reserves			
Called-up share capital	18	**2,200,000**	2,200,000
Profit and loss account		**2,891,951**	563,046
Total equity		**5,091,951**	2,763,046

The notes on pages 11 to 23 are an integral part of these financial statements.

The financial statements on pages 8 to 23 were authorised for issue by the Board of Directors on and were signed on its behalf by:

C Gkikas
Director

Titan Cement UK Limited

Statement of changes in equity

for the year ended 31 December 2013

	Attributable to owners of the parent		
	Share capital	Profit and loss account	Total equity
	£	£	£
Balance as at 1 January 2012	2,200,000	405,794	**2,605,794**
Loss for the financial year	-	(250,378)	**(250,378)**
Reversal of prior year appropriation not paid	-	407,630	**407,630**
Balance at 31 December 2012	2,200,000	563,046	**2,763,046**
Profit for the financial year	-	2,328,905	**2,328,905**
Balance at 31 December 2013	2,200,000	2,891,951	**5,091,951**

During the prior year, the company cancelled a dividend which was declared in the year ended 31 December 2003, but was not subsequently paid.

The notes on pages 11 to 23 are an integral part of these financial statements.

Titan Cement UK Limited

Notes to the financial statements

for the year ended 31 December 2013

1 Summary of significant accounting policies

The financial statements of the company for the year ended 31 December 2013 were authorised for issue by the board of directors on 2014 and the balance sheet was signed on the board's behalf by C Gkikas. The company is incorporated and domiciled in the United Kingdom.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006 ("the Act").

The company is a qualifying entity for the purposes of FRS 101. Note 21 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

These are the first financial statements of the company prepared in accordance with FRS 101. The company's date of transition to FRS 101 is 1 January 2012. The company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the company's previously adopted accounting policies in accordance with EU-adopted IFRS was not material on the shareholders' equity as at the date of transition and as at 31 December 2013 and on the profit or loss for the year ended 31 December 2013.

The disclosure exemptions adopted by the company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 Statement of cash flows;

- The requirements of IFRS 7 Financial instruments: disclosures;

- The requirements of paragraph 17 of IAS 24 Related party disclosure; and

- The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1 Summary of significant accounting policies (continued)

Changes in accounting policy and disclosures

a New and amended standards adopted by the company.

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2013 that have been adopted or have an impact on the financial statements of the company

Consolidation

The financial statements contain information about Titan Cement UK Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the financial statements of its ultimate parent undertaking, Titan Cement Company S.A., a company incorporated in Greece.

Segment reporting

The company's activities comprise a single operating segment under the principals of IFRS 8.

Functional and presentation currency

The company's functional and presentational currency is sterling. All financial information presented in sterling has been rounded to the nearest pound.

Foreign currency translation

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Tangible fixed assets

All tangible fixed assets are recognised at cost and carried at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated so as to write off the cost less estimated residual value of assets on a straight line basis over the expected economic useful lives, commencing when the assets are first brought into use. The expected economic useful lives are:

Plant, machinery and equipment	5 - 15 years
Computer equipment	4 years

1 **Summary of significant accounting policies (continued)**

Tangible fixed assets (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the original part that has been replaced is derecognised. All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

The residual values and the remaining economic useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Assets are tested for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the statement of comprehensive income.

Investments in subsidiary undertakings

The investment in subsidiary undertaking is recorded at cost which is the fair value of the consideration paid less impairment.

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables comprise trade receivables which are amounts due from customers for goods sold in the ordinary course of business (trade debtors) and amounts owed by group undertakings.

These balances are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables and amounts owed to group undertakings is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable or amounts owed by group undertakings is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of comprehensive income.

1 Summary of significant accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand comprise deposits with banks and bank and cash balances. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the United Kingdom. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period in the United Kingdom and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the debt using the effective interest method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade creditors are classified as creditors falling due within one year if payment is due within one year or less. If not they are presented as creditors amounts falling due after more than one year.

1 Summary of significant accounting policies (continued)

Trade creditors (continued)

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Turnover represents amounts receivable for goods and supplies invoiced in the United Kingdom net of VAT and other related taxes. All turnover is recognised on delivery of goods and supplies, when the amount of turnover can be reliably measured and it is probable that future economic benefit will flow to the company.

Pensions

The company participates in a defined contribution pension scheme. The company has no further payment obligations once the contributions have been paid. Contributions are charged in the statement of comprehensive income as they become payable in accordance with the rules of the scheme.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The company leases certain plant, machinery and equipment. Lease of plant, machinery and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in creditors amounts falling due within one year and creditors amounts falling due after more than one year. The interest element of the finance charge is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant, machinery and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2 Financial risks management

The company's operations expose it to a variety of financial risks that can be summarised under market risk (including credit risk, price risk and interest rate cash flow risk) and liquidity risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. The policies set by the board are implemented by the company's management.

2 Financial risk management (continued)

a. Market risk

i. *Credit risk*

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

ii. *Price risk*

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The board will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity price risk as it holds no listed or other equity instruments.

iii. *Interest rate cash flow risk*

The company has interest bearing assets, which include only cash balances earning interest at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

b. Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for covering its operating needs. The company also has access to longer term funding from its parent undertaking.

c. Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns to the parent undertaking and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid, capital returned to the immediate parent undertaking, issue new shares or sell assets to reduce debt.

3 Operating profit

		2013	2012
	Note	**£**	£
Staff costs	6	**407,241**	370,090
Depreciation	10	**49,428**	39,547

Depreciation expense of £49,428 (2012: £39,457) has been charged in 'cost of sales' in the statement of comprehensive income.

4 Exceptional items

The exceptional items of £1,750,000 relate to the release of a provision for impairment of receivables from a subsidiary undertaking (note 11).

5 Auditor's remuneration

The company obtained the following service from the company's auditor.

	2013	2012
	£	£
Fees payable to company's auditor for the audit of the company financial statements	**11,400**	9,500

6 Staff costs

	2013	2012
	£	£
Staff costs		
Wages and salaries	**364,135**	330,106
Social security costs	**39,466**	36,521
Pension costs	**3,640**	3,463
	407,241	370,090

	2013	2012
	No.	No.
Average monthly number of employees (including directors) during the year was as follows:		
Administration	**3**	3
Operational	**6**	6
Total average headcount	**9**	9

A number of directors are remunerated by the ultimate parent undertaking with no recharge to the company. Therefore no disclosure of directors' emoluments is presented.

There were no outstanding or prepaid pension contributions as at 31 December 2013 (2012: £Nil). No directors (2012: None) are accruing benefits under the defined contribution scheme.

7 Interest receivable and similar income

	2013	2012
	£	£
Interest receivable on bank deposits	978	767

8 Interest payable and similar charges

	2013	2012
	£	£
Finance lease interest	1,028	-

9 Taxation

	Note	2013 £	2012 £
Current tax:			
UK corporation tax on profits for the year		72,925	-
Adjustment in respect of prior periods		-	(113)
Total current tax		72,925	(113)
Deferred tax:			
Origination and reversal of temporary differences		36,813	(2,809)
Re-measurement of deferred tax due to changes in tax rate		(7,383)	(1,552)
Adjustment in respect of prior periods		-	(1)
Total deferred tax	17	29,430	(4,362)
Tax on profit/(loss)on ordinary activities		102,355	(4,475)

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013	2012
	£	£
Profit/(loss) on ordinary activities before taxation	2,431,260	(254,853)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	565,268	(62,432)
Tax effects of:		
Expenses not deductible for tax purposes	409	182
Income not taxable for tax purposes	(455,939)	-
Re-measurement of deferred tax due to change in tax rate	(7,383)	(1,552)
Adjustments to tax charge in respect of prior years	-	(114)
Group relief	-	59,441
Corporation tax expense/(credit)	102,355	(4,475)

9 Income tax expense (continued)

Factors affecting current and future tax charges

During the year, as a result of the changes in the UK main corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

10 Tangible fixed assets

	Plant, machinery and equipment £	Computer equipment £	Total £
At 1 January 2012			
Cost	3,475,086	46,040	3,521,126
Accumulated depreciation	(3,372,157)	(36,330)	(3,408,487)
Net book amount	**102,929**	**9,710**	**112,639**
Year ended 31 December 2013			
Opening net book amount	102,929	9,710	112,639
Additions	215,953	-	215,953
Depreciation charge	(44,286)	(5,142)	(49,428)
Closing net book value	**274,596**	**4,568**	**279,164**
At 31 December 2013			
Cost	3,691,039	46,040	3,737,079
Accumulated depreciation	(3,416,443)	(41,472)	(3,457,915)
Net book amount	**274,596**	**4,568**	**279,164**

Included in property, plant and equipment are assets amounting to £38,365 (2012: £12,764) which are fully depreciated but still in use.

Plant, machinery and equipment includes the following amounts under a finance lease:

	2013 £	2012 £
Cost-capitalisation finance lease	**199,520**	-
Accumulated depreciation	**(9,976)**	-
Net book amount	**189,544**	-

The company leases plant and machinery under non-cancellable finance lease agreements. The lease term is 5 years, and ownership of the asset lies within the company

11 Investment in subsidiary undertakings

	£
Cost and net book value	
At 1 January 2013 and 31 December 2013	**2**

Investments in subsidiary undertakings are recorded at cost which is the fair value of the consideration paid.

At 31 December 2013, the company held shares in the ordinary share capital of the following principal subsidiary undertaking:

	Country of registration and operation	**Percentage held**	**Nature of business**
Separation Technologies UK Limited	England	100%	In liquidation

12 Stocks

	2013	2012
	£	£
Consumables	**82,230**	77,264
Finished goods	**615,565**	1,075,400
	697,795	1,152,664

There are no finished goods carried at net realisable value being lower than cost (2012: £Nil).

13 Debtors

	2013	2012
	£	£
Trade debtors	**2,528,922**	1,219,845
Amounts owed by group undertakings	**71,710**	47,354
Corporation tax	**-**	130
Prepayments	**65,788**	63,978
	2,666,420	1,331,307

Provisions for impaired debtors are included in 'administrative expenses' in the statement of comprehensive income. Amounts are generally provided for where it is doubtful that cash will be received.

All debtors are denominated in sterling.

Titan Cement UK Limited

Notes to the financial statements

for the year ended 31 December 2013

14 Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank overdraft	**4,303**	5,709
Trade creditors	**268,069**	45,387
Amounts owed to group undertakings	**2,608**	619,656
Finance lease	**35,911**	-
Taxation and social security	**332,924**	180,073
Corporation tax	**23,401**	-
Accruals and deferred income	**36,779**	157,564
	703,995	1,008,389

All borrowings are denominated in sterling and are unsecured.

15 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Finance lease	134,672	-

16 Loans and other borrowings

	2013	2012
	£	£
Bank overdraft	4,303	5,709
Finance lease	170,853	-
	175,156	5,709

Maturity of financial liabilities

	2013	2012
	£	£
In one year or less, or on demand	40,214	5,709
In more than one year, but no more than two years	71,822	-
In more than two years, but no more than five years	63,120	-
	175,156	5,709

16 Loans and other borrowings (continued)

Finance leases

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2013	2012
	£	£
Gross finance lease liabilities - minimum lease payments:		
No later than 1 year	**40,020**	-
Later than 1 year and no later than 5 years	**150,085**	-
	190,105	-
Future finance charges on finance lease liabilities	**(19,522)**	-
Present value of finance leases liabilities	**170,583**	-

The present value of finance lease liabilities is as follows:

	2013	2012
	£	£
No later than 1 year	**4,109**	-
Later than 1 year and no later than 5 years	**15,413**	-
	19,522	-

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and previous financial year. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2012: 23%).

Movement on deferred taxation balance in the period:

	Note	2013	2012
		£	£
At 1 January		**17,186**	21,548
Charged/(credited) to the statement of comprehensive income	9	**29,430**	(4,362)
At 31 December		**46,616**	17,186

The provision for deferred taxation is made up as follows:

	2013	2012
	£	£
Capital allowances in excess of depreciation	**46,616**	17,186

18 Share capital

	2013	2012
	£	£
Issued and fully paid		
2,200,000 ordinary shares of £1 each	**2,200,000**	2,200,000

19 Pension commitments

The company participates in a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions for the year were £3,640 (2012: £3,463). There were no outstanding or prepaid contributions as at 31 December 2013 (2012: £Nil).

20 Operating lease commitments - minimum lease payments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
No later than one year	**190,750**	190,750	**4,011**	3,706
Later than one year but not later than five years	**217,063**	407,813	**6,719**	9,892
	407,813	598,563	**10,730**	13,598

21 Parent undertakings and controlling party

The company's immediate parent undertaking and ultimate controlling party is Titan Cement Company S.A., a company incorporated in Greece.

The largest and smallest group in which the results of the company are consolidated is that headed by Titan Cement Company S.A. The consolidated financial statements of this group may be obtained from Titan Cement Company S.A., 22A Halkidos Street, Athens, 111-43 Greece.