Titan Global Finance plc

Annual report and financial statements

for the year ended 31 December 2014

Registered number: 06199510

Titan Global Finance plc

Annual report and financial statements for the year ended 31 December 2014

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Titan Global Finance plc

Company information

Directors:	CR Field KV Fittler G Kyrtatos LH Wilt Jr
Secretary:	Rollits Company Secretaries Limited
Registered Auditors:	Ernst & Young LLP 24 Marina Court Castle Street Hull HU1 1TJ
Registered office:	No. 12 Shed King George Dock Hull HU9 5PR
Registered number:	06199510

Titan Global Finance plc

Strategic report

for the year ended 31 December 2014

The directors present their Strategic Report for the year ended 31 December 2014.

Business review

During the course of 2014, the Company continued to carry out its operations as the Group's funding vehicle, drawing on bank facilities and from the capital markets, and extending finance to Group companies, i.e. Titan Cement Company S.A. and its subsidiary undertakings. At the same time, the Company has also been extending finance to Group companies via funds sourced from both the Company's own cash reserves or from other Group subsidiaries with excess cash balances.

The Company borrows and extends finance at arm's length, charging at least an additional five basis points margin on bank credit facilities, fixed interest rate loans and bonds (and a five per cent mark-up on other costs) so as to cover overhead costs and maintain the profitability commitment the Company has agreed with Her Majesty's Revenue and Customs (HMRC).

On 30 January 2014, the Company and a Syndicate of Greek and International banks executed, in the UK, a new €455,000,000 multicurrency forward-start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking. On 6 May 2014, the previous syndicated facility of €585,000,000 was cancelled and at the same time the new syndicated revolving credit facility previously mentioned was activated.

On 10 July 2014, the Company issued €300,000,000 4.25% guaranteed notes expiring on 10 July 2019. These are also guaranteed by Titan Cement Company S.A. The Company used the proceeds of the guaranteed notes issue to repay outstanding borrowings under the €455,000,000 multicurrency forward-start syndicated revolving credit facility. On 8 December 2014, the Company reduced the multicurrency forward-start syndicated revolving credit facility to €300,000,000.

As of 31 December 2014, the Company had committed undrawn bank facilities of €300,000,000 (2013: €324,680,000).

The total comprehensive income for the year amounted to €2,111,000 (2013: €78,000).

Titan Global Finance plc

Strategic report

for the year ended 31 December 2014

Key performance indicators and financial risk management

The Company's key objective is to ensure that short term third party debt can always be met with available cash or unutilised bank facilities.

The Board of Directors therefore monitor the liquidity ratio, which is defined as the ratio of unutilised long term committed third party facilities (excluding facilities granted by members of Titan Group) and cash over short term third party debt (excluding borrowings granted by members of Titan Group) plus accrued interest associated with the short term borrowings.

At 31 December 2014, there was no short term third party debt. Please see note 5 to the financial statements for further information. Given the directors' key measure is to ensure short term third party debt can be settled when due, the directors feel the Company has met this measure.

The Board of Directors also monitors the Company's profit before tax to ensure the Company is compliant with the HMRC Advance Thin Capitalisation Agreement. The Board reasonably believes that the HMRC Advance Thin Capitalisation Agreement requirements have been met during 2014.

The nature of the Company's business means that it is essential to have available external funds to be able to provide funding to relevant subsidiaries as required. External funding is guaranteed by Titan Cement Company S.A., the Company's immediate and ultimate parent undertaking.

Principal risks and uncertainties and exposure to financial risks

The principal risks of the Company are those relating to financial instruments including credit risk, liquidity risk, foreign exchange risk and interest risk. Please see note 3 to the financial statements for further information.

Future developments

The directors aim to improve already strong management policies which have resulted in this year's stability and profits.

The Company's operations are aligned with the Group's strategic priorities with respect to optimisation of funding and cash management needs. As the Group's funding vehicle, the Company is reliant on its parent for support through the guarantees the latter provides to secure the Company's external financing. The Group will continue to focus on producing positive free cash flow and cost reduction so as to ensure sustainability in business operations and in growth.

This report was approved by the board on 20 April 2015 and signed on its behalf by:

LH Wilt Jr
Director

KV Fittler
Director

Titan Global Finance plc

Directors' report

for the year ended 31 December 2014

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

Financial risk management and future developments

The financial risk management and future developments disclosures can be found in note 3 to the financial statements on pages 17 to 19 and in the Strategic Report on page 3 respectively.

Going concern

On 30 January 2014, the Company and a syndicate of Greek and International banks executed, in the UK, a new €455,000,000 multicurrency forward start syndicated revolving credit facility, which was later reduced to €300,000,000. On 10 July 2014, the Company issued €300,000,000 4.25% guaranteed loan notes, expiring on 10 July 2019. The continued instability of the financial markets is not expected to significantly impact the Company during the next 12 months as available loan facilities and interest rates for the forth coming year have already been fixed.

The Board of Directors is confident that Titan Cement Company S.A. and the Group have adequate resources to ensure continued operations as a going concern for the foreseeable future. Titan Cement Company S.A. has made an undertaking to support the Company, helping it meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The comprehensive income for the year amounted to €2,111,000 (2013: €78,000). The directors do not recommend the payment of a dividend for the year (2013: €Nil).

Directors

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

CR Field
KV Fittler
G Kyrtatos
LH Wilt Jr

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in Section 232(2) of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law.

Disclosure of information to the auditor

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 they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Titan Global Finance plc

Directors' report

for the year ended 31 December 2014

Auditor

Following the audit of the financial statements for the year ended 31 December 2014, the auditor Ernst & Young LLP will resign from office, due to the mandatory rotation of auditor. PricewaterhouseCoopers LLP will be appointed as auditor following the resignation of Ernst & Young LLP.

This report was approved by the board on 20 April 2015 and signed on its behalf by:

LH Wilt Jr
Director

KV Fittler
Director

Titan Global Finance plc

Statement of directors' responsibilities

for the year ended 31 December 2014

The directors are responsible for preparing the Strategic report, Directors' report and the annual report and financial statements in accordance with applicable UK 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 International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 suitable judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 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 Global Finance plc

Independent auditor's report to the members of Titan Global Finance plc

We have audited the financial statements of Titan Global Finance plc for the year ended 31 December 2014 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Titan Global Finance plc

Independent auditor's report to the members of Titan Global Finance plc

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.

Ernst & Young LLP

Alistair Denton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull
Date: 24th April 2015

Titan Global Finance plc

Registered no: 06199510

Statement of financial position

as at 31 December 2014

	Note	2014 €'000	2013 €'000
Assets			
Non-current assets			
Loans and other receivables	6	**655,095**	983,969
Current assets			
Loans and other receivables	6	**15,699**	65,780
Cash and cash equivalents		**43,614**	6,070
Current tax receivable		**-**	29
		59,313	71,879
Total assets		**714,408**	1,055,848
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	7	**3,287**	3,287
Retained earnings		**7,812**	5,701
Total equity		**11,099**	8,988
Liabilities			
Non-current liabilities			
Loans and other payables	8	**194,850**	537,257
Borrowings	9	**492,625**	453,863
		687,475	991,120
Current liabilities			
Loans and other payables	8	**15,403**	55,740
Current tax liabilities		**431**	-
		15,834	55,740
Total liabilities		**703,309**	1,046,860
Total equity and liabilities		**714,408**	1,055,848

The notes on pages 13 to 29 are an integral part of these financial statements.

The financial statements on pages 9 to 29 were authorised for issue by the Board of Directors on 20 April 2015 and were signed on its behalf by:

LH Wilt Jr
Director

KV Fittler
Director

Titan Global Finance plc

Statement of comprehensive income

for the year ended 31 December 2014

	Note	2014 €'000	2013 €'000
Administrative expenses	10	**(378)**	(258)
Finance income	13	**62,201**	55,973
Finance costs	13	**(60,438)**	(55,350)
Finance income - net	13	**1,763**	623
Gain/(loss) on foreign exchange		**1,312**	(264)
Profit before income tax		**2,697**	101
Income tax expense	14	**(586)**	(23)
Total comprehensive income		**2,111**	78

All of the activities of the Company in 2014 and 2013 relate to continuing operations.

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

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc

Statement of changes in equity

for the year ended 31 December 2014

	Attributable to owners of the parent		
	Share capital	**Retained earnings**	**Total equity**
	€'000	**€'000**	**€'000**
Balance at 1 January 2013	3,287	5,623	**8,910**
Total comprehensive income for the year	-	78	**78**
Balance at 31 December 2013	3,287	5,701	**8,988**
Total comprehensive income for the year	-	2,111	**2,111**
Balance at 31 December 2014	3,287	7,812	**11,099**

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc

Statement of cash flows

for the year ended 31 December 2014

	Note	2014 €'000	2013 €'000
Cash flows from operating activities			
Cash generated from operations	15	**883**	4,362
Income tax paid		**(126)**	(35)
Net cash generated from operating activities		**757**	4,327
Cash flows from investing activities			
Loans repaid by/(granted to) related parties		**381,276**	(57,420)
Interest received		**59,473**	51,182
Net cash generated from/(used in) investing activities		**440,749**	(6,238)
Cash flows from financing activities			
(Repayment of)/proceeds from loans to related parties		**(387,408)**	97,086
Interest paid		**(56,234)**	(51,425)
Repayment of borrowings		**(362,499)**	(199,581)
Proceeds from borrowings		**402,179**	148,377
Net cash used in financing activities		**(403,962)**	(5,543)
Increase/(decrease) in cash and cash equivalents		**37,544**	(7,454)
Cash and cash equivalents at 1 January		**6,070**	13,524
Cash and cash equivalent at 31 December		**43,614**	6,070

The notes on pages 13 to 29 are an integral part of these financial statements.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2014

1 Authorisation of financial statements

The financial statements of Titan Global Finance plc for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 20 April 2015 and the statement of financial position was signed on the Board's behalf by LH Wilt and KV Fittler. The Company continued to carry out its operations as the Group's funding vehicle, drawing on bank facilities and extending finance to Group companies, i.e. Titan Cement Company S.A. and its subsidiary undertakings. At the same time, the Company has also been extending finance to Group companies via funds sourced from both the Company's own cash reserves or from other Group subsidiaries with excess cash balances.

The Company is a public limited company, incorporated and domiciled in the United Kingdom. The address of its registered office is No. 12 Shed, King George Dock, Hull, HU9 5PR.

2 Summary of significant accounting policies

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 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions, as disclosed in note 3. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern

On 30 January 2014, the Company and a syndicate of Greek and International banks executed, in the UK, a new €455,000,000 multicurrency forward-start syndicated revolving credit facility, which was later reduced to €300,000,000. On 10 July 2014, the Company issued €300,000,000 4.25% guaranteed loan notes, expiring on 10 July 2019. The continued instability of the financial markets is not expected to significantly impact the Company during the next 12 months as the available loan facilities and interest rates for the forthcoming year have already been fixed.

The Board of Directors are confident that Titan Cement Company S.A. and the Group have adequate resources to ensure continued operations as a going concern for the foreseeable future. Titan Cement Company S.A. has made an undertaking to support the Company, helping it meet its liabilities as they fall due, for at least 12 months from the date of approval of these financial statements. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Summary of significant accounting policies (continued)

Changes in accounting policy and disclosures

a. New and amended standards adopted by the Company

None of the new IFRSs or IFRIC interpretations that are effective for the first time this year have had an impact on the financial statements of the Company.

b. New standards, amendments and interpretations not yet effective or adopted

There are a number of new standards and amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2014, that have not been early adopted when preparing these financial statements. None of these new standards, amendments and interpretations are expected to have a significant impact on the financial statements of the Company in their period of adoption.

Fair value measurement

The Company discloses the fair value of financial instruments, measured at amortised cost, as disclosed in note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2 Summary of significant accounting policies (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Segment reporting

The Company's activities comprise a single activity operating segment under the principles of IFRS 8.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's functional and presentational currency is the Euro. All financial information presented in Euros has been rounded to the nearest thousand.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the year end date. All differences are taken to the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

Financial assets

The Company's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets (intra-Group facilities and loans) with fixed or determinable payments that are not quoted on an active market.

Loans and other receivables 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 loans and receivables 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 debtor 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.

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

Cash and cash equivalents

Cash and cash equivalents comprise deposits (including time deposits) with banks and bank and cash balances.

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.

Borrowings

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

Borrowings are derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing borrowing is replaced by another from the same lender on substantially different terms, or the terms of an existing borrowing are substantially modified, such an exchange or modification is treated as the derecognition of the original borrowing and the recognition of a new borrowing. The derecognition of borrowings is written off in full in the statement of comprehensive income.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 Summary of significant accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less, if not they are presented as non-current liabilities.

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

Current tax

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

The income tax expense 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.

Financial guarantee contracts

Financial guarantee contracts are initially recognised at fair value, under IAS 39, 'Financial Instruments: Recognition and measurement'. Subsequently the contract is valued at the higher of the amount determined in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with IAS 18, 'Revenue'.

Interest recognition

Interest income and costs are recognised using the effective interest method. When loans or borrowings are impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income or costs. Interest income and costs on impaired loans or borrowings are recognised using the original effective interest rate.

3 Financial risk management

The Company's operations expose it to a variety of risks, principally financial. 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.

The principal activity of the Company is to act as an intermediate finance company for the Group's operations by raising and providing funding to other Titan Group companies. Therefore credit risk, liquidity risk, interest rate risk and foreign exchange risk are inherent risks.

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2014

3 Financial risk management (continued)

a. *Credit risk*

Given that the Company is the Group's funding vehicle and its purpose is to raise external bank and non-bank financing and lend to Group companies to cover their borrowing needs, it is not exposed to major credit risk other than the potential inability of its intra-Group counterparties to meet their obligations. All third party obligations are guaranteed by Titan Cement Company S.A., the immediate and ultimate parent undertaking. The cash balances are deposited with highly rated financial institutions in line with Group Treasury policies, as approved by the Board of Directors.

b. *Liquidity risk*

The company retains sufficient cash and committed loans and facilities to ensure it has sufficient available funds to cover its operating needs. At 31 December 2014, the Company held listed guarantee notes of €500,000,000 pre borrowing costs, bank borrowings of €Nil and loans from related parties of €194,850,000, all were due for repayment after more than one year after the year end.

Further to the exchange offer in December 2012, the Company holds €200,000,000 8.75% guaranteed notes, expiring on 19 January 2017.

During the year, the Company entered into an agreement to hold a further €300,000,000 4.25% guaranteed notes, expiring on 10 July 2019.

The Company has entered into an indemnity deed alongside its parent company in support of a credit agreement held by another Group entity. This instrument is considered a financial guarantee contract as defined by IAS 39. The maximum potential out flow the directors feel the company is exposed to is €2,100,000 (2013: €3,456,000). The directors consider it improbable that the Company will suffer any cash out flow as a result of this instrument because the entity concerned is in compliance with its obligation and there are no indications that it will not remain in compliance for the foreseeable future. Therefore the instrument continues to be measured at a carrying value of €Nil (2013: €Nil), which also approximates fair value.

The table below analyses the Company's non-derivative financial liabilities (including financial guarantee contracts) into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date:

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 year	Between 2 and 5 years	Total
As at 31 December 2014	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Listed guarantee notes	**7,563**	**22,688**	**30,250**	**533,166**	**593,667**
Payables to related parties	**1,717**	**5,150**	**6,867**	**201,829**	**215,563**
Financial guarantee contracts	**2,100**	**-**	**-**	**-**	**2,100**
As at 31 December 2013					
Listed guarantee notes	4,375	13,125	17,500	218,459	253,459
Bank borrowings	2,059	6,176	260,432	-	268,667
Payables to related parties	4,706	58,987	523,382	15,827	602,902
Financial guarantee contracts	3,456	-	-	-	3,456

Titan Global Finance plc

Notes to the financial statements for the year ended 31 December 2014

3 Financial risk management (continued)

c. *Interest rate risk*

The Company has floating rate assets and liabilities, in the form of bank borrowings and corresponding intercompany debtors (representing the bank borrowings on loan at floating rate plus a margin), and fixed rate assets and liabilities, being listed guarantee notes and corresponding intercompany debtors (representing those amounts on loan at fixed rates plus a margin). As the fixed and floating rate assets and liabilities are essentially matched, the related interest rate risk is naturally mitigated.

The Company has cash balances earning interest at a floating rate, and as such is exposed to interest rate risk on those amounts. The Company does not currently use derivative financial instruments to hedge its interest rate risk.

At 31 December 2014, if interest rates on loan receivables, payables and bank borrowings had been 1% higher with all other variables held constant, pre-tax profit for the year would have been €13,000 (2013: €17,000) lower, mainly as a result of lower net interest income on floating rate instruments.

d. *Foreign exchange risk*

Funding is generally denominated in the same currency as the currency of funding provided to Titan Group's subsidiaries. As a consequence the exposure to exchange rate risk is significantly offset.

At 31 December 2014, if the Euro had strengthened/weakened by 5% against the US Dollar with all other variables held constant, pre-tax profit for the year would have been €241,000 (2013: €304,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of US Dollar-denominated loan receivables, payables, bank borrowings and operating expenses.

At 31 December 2014, if the Euro had strengthened/weakened by 5% against the Pound Sterling with all other variables held constant, pre-tax profit for the year would have been €154,000 (2013: €150,000) lower/higher, mainly as a result of foreign exchange gains/losses on translation of Pounds Sterling denominated loan receivables, payables and operating expenses.

To mitigate this risk, any loans and borrowings granted or drawn by the Company which were denominated in US Dollars, including interest receivable/payable, were by the year end converted into Euros.

4 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 liquidity across the Group via the usage of excess cash from operations and third party debt.

The Board of Directors therefore monitors the liquidity ratio, which is defined as the ratio of unutilised long-term committed third-party facilities (excluding facilities granted by members of Titan Group) and cash over short-term third-party debt (excluding borrowings granted by members of Titan Group) plus accrued interest associated with the short-term borrowings.

For the purpose of the liquidity ratio, short-term third-party debt and unutilised long-term committed third-party facilities are calculated as follows:

	2014 €'000	2013 €'000
Listed guarantee notes (note 9)	-	-
Accrued interest and other finance costs	-	-
Short-term third-party debt	-	-
Long-term committed third-party facilities (note 9)	**300,000**	585,000
Utilised facilities	-	(260,320)
Unutilised long-term committed third-party facilities	**300,000**	324,680

The company's liquidity ratio as of 31 December was:

	2014	2013
Liquidity ratio	-	-

At 31 December 2014, there was no short-term third-party debt.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, capital returned to the immediate parent undertaking or issue new shares.

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Notes to the financial statements
for the year ended 31 December 2014

5 Financial instruments by category

Set out below is a comparison by category of carrying amounts and fair values of the Company's assets and liabilities, that are carried in the statement of financial position:

	Fair value		Carrying amount	
	2014	2013	**2014**	2013
Assets	**€'000**	€'000	**€'000**	€'000
Loans and receivables				
Receivables from related parties	**675,683**	1,062,370	**652,579**	1,037,459
Liabilities				
Other financial liabilities at amortised cost				
Listed guarantee notes	**510,086**	216,039	**492,625**	195,563
Payables to related parties	**193,469**	578,817	**194,850**	582,257
Total	**703,555**	794,856	**687,475**	777,820

Management have assessed that the fair value of cash and cash equivalents and trade payables approximate their carrying amounts largely due to the short term maturities of theses instruments. The fair value of related party payables and receivables, bank borrowings and listed guarantee notes are determined using discounted cash flows using a rate that reflects the Company's borrowing rate as at the year end. The inputs used in these discounted cash flow calculations are at level 2 (2013: level 2) in the fair value hierarchy with the exception of cash and cash equivalents, which are categorised as level 1 (2013: level 1).

The fair value of the assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. The following methods and assumptions were used to estimate the fair values:

Listed guarantee notes are not actively traded and therefore the fair value was established using a valuation technique based on observable market data and an assumed interest rate in relation to the €200,000,000 guaranteed notes expiring on 19 January 2017 of 8.75% and 4.25% in relation to the €300,000,000 guaranteed notes expiring on 10 July 2019 and a discount rate of 4.90% and 5.28% respectively and reflects non-performance risk. There has been no change in the valuation technique used.

All other financial instruments are evaluated by the Company based on parameters such as interest rates and price quotations at the reporting date.

Please refer to the fair value measurement accounting policy on pages 14 to 15 for details of how the Company assesses fair value.

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Notes to the financial statements for the year ended 31 December 2014

6 Loans and other receivables

	Note	2014 €'000	2013 €'000
Amounts falling due after more than one year			
Receivables from related parties	16	**652,579**	983,969
Unamortised loan arrangement fees		**2,516**	-
		655,095	983,969

	Note	2014 €'000	2013 €'000
Amounts falling due within one year			
Receivables from related parties	16	-	53,490
Accrued income		**15,699**	12,290
		15,699	65,780

Receivables from related parties represent intra-Group facilities and loans.

Amounts are drawn down from each facility for periods up to 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities which are repayable either partially or in full at the option of the Company or it may be renewed for another period. Accordingly, the amounts drawn down have been classified as payable after more than one year in accordance with the term of the facilities. Amounts drawn down under flexible draw down facility/loan agreements are subject to interest rates which are either equal to 30, 60, 90 or 180 days LIBOR or EURIBOR rate plus a margin or at fixed interest rates.

All amounts are guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking, with the exception of €344,214,000 (2013: €753,878,000) due from Titan Cement Company S.A. and €952,000 (2013: €Nil) due from ST Canada LLC, a fellow Group undertaking.

Credit risk with respect to loan receivables is limited due to the Company's customer base being Group undertakings for whom there is no recent history of default and the aforementioned guarantee provided by Titan Cement Company S.A.. Due to theses factors, management believe there is no credit risk provision required for doubtful debtors in both this and the prior year.

As of 31 December 2014, loans and other receivables of €Nil (2013: €Nil) were past due and not impaired.

Loans and other receivables are denominated in the following currencies:

	2014 €'000	2013 €'000
Euros	**671,870**	908,797
US Dollars	**(1,153)**	140,864
Pounds Sterling	**77**	88
	670,794	1,049,749

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Notes to the financial statements for the year ended 31 December 2014

7 Ordinary shares

	2014	2013
	€'000	€'000
Authorised, issued and fully paid		
2,500,000 ordinary shares of £1 each	**3,287**	3,287

8 Loans and other payables

		2014	2013
	Note	**€'000**	€'000
Amounts owed after more than one year			
Payables to related parties	16	**194,850**	537,257
Amounts owed within one year			
Trade payables		**4**	17
Payables to related parties	16	**-**	45,000
Accrued expenses		**15,399**	10,723
		15,403	55,740

Amounts owed to related parties represent intra-Group facilities and loans.

Amounts are drawn down from each facility for periods between 30 and 180 days, however each tranche is considered as part of one of the long-term revolving credit facilities which are repayable either partially or in full at the option of the related party or it may be renewed for another period. Accordingly, the amounts drawn down have been classified as payable between two and five years in accordance with the terms of the facility. Amounts drawn down under floating rate facility/loan agreements are subject to interest rates which are equal to 30, 60, 90 or 180 days LIBOR or EURIBOR rate plus a margin.

Loans and other payables are denominated in the following currencies:

	2014	2013
	€'000	€'000
Euros	**209,935**	460,138
US Dollars	**-**	132,717
Pounds Sterling	**318**	142
	210,253	592,997

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Notes to the financial statements
for the year ended 31 December 2014

9 Borrowings

	2014	2013
	€'000	€'000
Amounts owed after more than one year		
Bank borrowings (net of transaction costs)	-	258,300
Listed guaranteed notes (net of transaction costs)	**492,625**	195,563
	492,625	453,863

Bank borrowings

On 30 January 2014, the Company and a Syndicate of Greek and International banks executed, in the UK, a new €455,000,000 multicurrency forward-start syndicated revolving credit facility, guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking, with HSBC Bank plc, Alpha Bank A.E., Eurobank Ergasia S.A., National Bank of Greece S.A., Sociètè Generale Corporate and Investment Banking and JP Morgan Chase Bank, N.A., as arrangers and HSBC Bank plc as agent.

On 6 May 2014, the Company cancelled the €585,000,000 multicurrency forward-start revolving credit facility with Banc of America Securities Limited, HSBC Bank plc and BNP Paribas as arrangers and Banc of America Securities Limited as agent and simultaneously activated the new €455,000,000 credit facility mentioned above.

On 8 December 2014, the Company cancelled €155,000,000, of the new credit facility, reducing its facility amount to €300,000,000. The multicurrency forward-start syndicated revolving credit facility is committed for a fixed period and expires on 5 January 2018.

These borrowings are guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking.

Amounts are drawn down for periods between 30 and 180 days, however each tranche is considered as part of the long-term revolving credit facility which is repayable either partially or in full at the option of the Company or it may be renewed for another period. Accordingly, the amounts drawn down have been classified as payable between two and five years in accordance with the terms of the facility. Amounts drawn down from floating rate facility/loan agreements are subject to interest rates equal to 30, 60, 90 or 180 days LIBOR or EURIBOR rates plus a margin. The agreement contains a financial covenant on the Titan Group's consolidated net debt to consolidated EBITDA ratio. The Titan Group was in compliance with its covenants as at 31 December 2014.

9 Borrowings (continued)

Bank borrowings (net of transaction costs) are denominated in the following currencies:

	2014 €'000	2013 €'000
Euros	-	132,810
US Dollars	-	125,490
	-	258,300

Listed guaranteed notes

The Company holds €200,000,000 8.75% guaranteed notes, expiring on 19 January 2017.

On 10 July 2014, the Company issued €300,000,000 4.25% guaranteed notes, expiring on 10 July 2019.

All notes are guaranteed by Titan Cement Company S.A., the Company's immediate parent undertaking. As a result, the Company has proactively secured a further three years funding. The notes are recognised in the statement of financial position at amortised cost. The fair value of borrowings is disclosed in note 6.

10 Expenses by nature

	Note	**2014** €'000	2013 €'000
Employee benefit expenses	12	**21**	15
Other expenses		**357**	243
Total administrative expenses		**378**	258

11 Auditor's remuneration

The Company obtained the following services from the Company's auditor.

	2014 €'000	2013 €'000
Audit of the financial statements	**31**	24
Audit related assurance services	**22**	-

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Notes to the financial statements
for the year ended 31 December 2014

12 Employees and directors

During the current and previous financial year there were no employees other than the directors.

	2014 €'000	2013 €'000
Directors		
Aggregate emoluments	**21**	15

The amounts disclosed above represent key management compensation (directors only). A number of directors are remunerated by other Group undertakings with no recharge to the Company. The amount of remuneration paid to directors in respect of their services to the Company was €21,000 (2013: €15,000). Administrative work is outsourced to a company affiliate.

13 Finance income and costs

	Note	2014 €'000	2013 €'000
Finance income:			
Interest income on loans to related parties	16	**50,170**	48,365
Loan arrangement, commitment and utilisation fees		**12,017**	7,598
Interest income on cash and cash equivalents		**14**	10
Finance income on financial assets at amortised cost		**62,201**	55,973
Finance costs:			
Interest payable on loans from related parties	16	**(19,096)**	(16,490)
Interest payable on bank borrowings		**(29,607)**	(31,237)
Loan arrangement, commitment and utilisation fees		**(11,705)**	(7,623)
Other interest		**(30)**	-
Finance costs on financial liabilities at amortised cost		**(60,438)**	(55,350)
Finance income - net		**1,763**	623

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Notes to the financial statements for the year ended 31 December 2014

14 Income tax expense

	2014 €'000	2013 €'000
Current tax:		
UK corporation tax on profits for the year	**586**	23
Income tax expense	**586**	23

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entity as follows:

	2014 €'000	2013 €'000
Profit before income tax	**2,697**	101
Profit before income tax multiplied by the weighted average rate of corporation tax in the UK of 21.49% (2013: 23.25%)	**580**	23
Tax effects of:		
Expenses not deductible for tax purposes	**6**	-
Income tax expense	**586**	23

Factors affecting current and future tax charges

A reduction in the UK main corporation tax rate to 20% was substantively enacted on 2 July 2013 and will be effective from 1 April 2015.

15 Notes to the cash flow statement

	Note	2014 €'000	2013 €'000
Profit before income tax		**2,697**	101
Adjustments for:			
Finance income	13	**(62,201)**	(55,973)
Finance costs	13	**60,438**	55,350
Changes in working capital:			
Loans and other receivables		**2,923**	2,686
Borrowings, loans and other payables		**(2,974)**	2,198
Cash generated from operations		**883**	4,362

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Notes to the financial statements for the year ended 31 December 2014

16 Related party transactions

The following transactions were carried out with related parties.

a. Purchase of services

	2014 €'000	2013 €'000
Purchase of services		
Other related parties	**40**	15

Legal services totalling €40,000 (2013: €15,000) at normal market rates were incurred from Rollits Solicitors. A partner of Rollits Solicitors, CR Field, is also a director of the Company.

b. Key management compensation

Key management includes statutory directors only. The compensation paid or payable to key management for employee services is shown below:

	2014 €'000	2013 €'000
Key management compensation		
Salaries and other short term employee benefits	**21**	15

c. Loans receivable and payable to/from related parties

Year end balances arising from financing activities are as follows:

	2014 €'000	2013 €'000
Receivables from related parties		
Immediate parent undertaking	**336,902**	742,918
Fellow group undertakings	**315,677**	294,541
Payables to related parties		
Fellow group undertakings	**194,850**	582,257

Interest arising from financing activities were as follows:

	2014 €'000	2013 €'000
Receivable from related parties		
Immediate parent undertaking	**32,203**	33,572
Fellow group undertakings	**17,967**	14,793
Paid to related parties		
Fellow group undertakings	**19,096**	16,490

16 Related party transactions (continued)

c. Loans receivable and payable to/from related parties (continued)

Arrangement fees, commitment fees and utilisation fees arising from financing activities was as follows:

	2014	2013
	€'000	€'000
Receivable from related parties		
Immediate parent undertaking	**5,271**	4,365
Fellow group undertakings	**6,746**	3,233
Paid to related parties		
Fellow group undertakings	**835**	105

17 Parent undertakings and controlling party

The Company's immediate and ultimate parent undertaking and 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.