

**Titan Cement UK Limited**

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

Registered number: 02209994

# Titan Cement UK Limited

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

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# Titan Cement UK Limited

## Company information

<b>Directors:</b>	C Gkikas G Krystallidis N Vlassopoulos E Voulgaridis
<b>Secretary:</b>	Rollits Company Secretaries Limited
<b>Registered auditors:</b>	Ernst & Young LLP 24 Marina Court Castle Street Hull HU1 1TJ
<b>Bankers:</b>	Natwest Bank Hull City Centre Branch 34 King Edward Street Hull HU1 3SS
<b>Solicitors:</b>	Rollits Wilberforce Court High Street Hull HU1 1YJ
<b>Registered office:</b>	No. 12 Shed King George Dock Hull HU9 5PR
<b>Registered number:</b>	02209994

# Titan Cement UK Limited

## Strategic report

### for the year ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

#### Business review

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

The UK economy grew by 2.6% during 2014, indicating the economy is recovering following the economical downturn in previous years. An upturn in the company's overall business activity has been realised during 2014, which is expected to level off in 2015.

The Company continued to offer competitive trade terms applying more effective marketing strategies, while the level of CRS standards were maintained, ensuring green operations.

The gross profit for the year amounted to £2,444,119 (2013: £1,999,520) and the total comprehensive income for the financial year amounted to £540,164 (2013: £2,328,905). Included within the results for the prior year is exceptional income totalling £1,750,000, please see note 4 to the financial statements for further details.

#### Business performance and future developments

During 2014, the company managed to improve its market position and to increase the sales volume by 30%.

During the year, as a result of competitive credit policies, the trade debtors compared to the sales marginally improved and remained at a satisfactory level, with the year-end balance amounting to £2,934,448.

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:

	2014 £	2013 £	Change %
Gross profit	<b>2,444,119</b>	1,999,520	22%
Gross return on sales	<b>15.3%</b>	16.3%	(6)%
Total comprehensive income for the financial year	<b>540,164</b>	2,328,905	(77)%
Net return on sales	<b>3.4%</b>	18.9%	(82)%
Free cash flow	<b>(360,611)</b>	1,032,903	(65)%

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 slightly decline, in 2015.

# **Titan Cement UK Limited**

## **Strategic report**

### **for the year ended 31 December 2014**

#### **Principal risks and uncertainties**

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

The key business risks affecting the company are considered to be credit risk and price risk:

- Credit risk: The company has implemented policies that require appropriate credit checks on potential customers before sales are made.
- 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 cost of managing exposure to commodity price risk exceeds any potential benefits. The Board will revisit the appropriateness of this policy should the company's operations change in size or nature.

This report was approved by the Board on

2015 and signed on its behalf by:

**C Gkikas**

**Director**

# Titan Cement UK Limited

## Directors' report

### for the year ended 31 December 2014

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

#### Principal risks and uncertainties and future developments

The principal risks and uncertainties and future developments disclosure can be found in the strategic report on pages 3 and 2 respectively.

#### Going concern

The directors believe the company is expected to continue to generate positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted.

#### Results and dividends

The total comprehensive income for the financial year amounted to £540,164 (2013: £2,328,905). The directors do not recommend the payment of a dividend for the financial year (2013: £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 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 he/she is 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.

#### 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 company's policy of auditor rotation. PricewaterhouseCoopers LLP will be appointed as auditor following the resignation of Ernst & Young LLP.

This report was approved by the Board on

2015 and signed on its behalf by:

**C Gkikas**  
Director

# **Titan Cement UK Limited**

## **Statement of directors' responsibilities**

### **for the year ended 31 December 2014**

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 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.

# **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 2014 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. In addition, we read all the financial and non-financial information in the strategic report and directors' report 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 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.

## **Independent auditor's report to the members of Titan Cement UK Limited (continued)**

### **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: 2015

# Titan Cement UK Limited

## Statement of comprehensive income for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover		15,993,673	12,276,045
Cost of sales		(13,549,554)	(10,276,525)
<b>Gross profit</b>		<b>2,444,119</b>	1,999,520
Distribution costs		(1,431,847)	(1,077,136)
Administrative expenses		(315,439)	(452,029)
Exceptional items	4	-	1,750,000
<b>Operating profit</b>	3	<b>696,833</b>	2,220,355
Income from fixed asset investments		-	210,955
Interest receivable and similar income	7	2,325	978
Interest payable and similar charges	8	(4,355)	(1,028)
<b>Profit on ordinary activities before taxation</b>		<b>694,803</b>	2,431,260
Tax on profit on ordinary activities	9	(154,639)	(102,355)
<b>Total comprehensive income for the financial year</b>		<b>540,164</b>	2,328,905

The notes on pages 11 to 24 are an integral part of these financial statements.

# Titan Cement UK Limited

Registered no: 02209994

## Statement of financial position

as at 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	10	234,319	279,164
Investments	11	1	2
		<b>234,320</b>	279,166
<b>Current assets</b>			
Stocks	12	1,626,254	697,795
Debtors	13	3,112,661	2,666,420
Cash at bank and in hand		1,818,603	2,333,853
		<b>6,557,518</b>	5,698,068
<b>Creditors: amounts falling due within one year</b>	14	<b>(1,016,306)</b>	(703,995)
<b>Net current assets</b>		<b>5,541,212</b>	4,994,073
<b>Total assets less current liabilities</b>		<b>5,775,532</b>	5,273,239
Creditors: amounts falling due after more than one year	15	(98,762)	(134,672)
Deferred taxation	17	(44,655)	(46,616)
<b>Net assets</b>		<b>5,632,115</b>	5,091,951
<b>Capital and reserves</b>			
Called-up share capital	18	2,200,000	2,200,000
Profit and loss account		3,432,115	2,891,951
<b>Total equity</b>		<b>5,632,115</b>	5,091,951

The notes on pages 11 to 24 are an integral part of these financial statements.

The financial statements on pages 8 to 24 were authorised for issue by the Board of Directors on 2015 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 2014

	Attributable to owners of the parent		
	Share capital	Profit and loss account	Total equity
	£	£	£
<b>Balance at 1 January 2013</b>	2,200,000	563,046	<b>2,763,046</b>
Profit for the financial year	-	2,328,905	<b>2,328,905</b>
<b>Balance at 31 December 2013</b>	2,200,000	2,891,951	<b>5,091,951</b>
Profit for the financial year	-	540,164	<b>540,164</b>
<b>Balance at 31 December 2014</b>	2,200,000	3,432,115	<b>5,632,115</b>

The notes on pages 11 to 24 are an integral part of these financial statements.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 1 Summary of significant accounting policies

The financial statements of the company for the year ended 31 December 2014 were authorised for issue by the board of directors on 2015 and the statement of financial position 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.

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.

#### **Going concern**

The directors believe the company is expected to continue to generate positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted.

# **Titan Cement UK Limited**

## **Notes to the financial statements**

### **for the year ended 31 December 2014**

#### **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 2014 that have been adopted or have an impact on the financial statements of the company

##### **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.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

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

##### 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
Motor vehicles	5 years

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 statement of comprehensive income 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

Investments are recorded at cost which is the fair value of the consideration paid less impairment.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

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

##### Financial assets

The company classifies its financial assets in the following category: loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest method. The effective interest method amortisation is recognised in the statement of comprehensive income.

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.

##### Cash at bank and in hand

Cash at bank and in hand comprise deposits with banks and bank and cash balances. In the statement of financial position, 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.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

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

##### **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 statement of comprehensive income 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.

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.

##### **Exceptional items**

The company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow better understanding of financial performance, and to facilitate comparison with prior periods.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

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

##### 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 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements, apart from those involving estimates, that had a significant effect on the amounts recognised in the financial statements.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 3 Operating profit

	Note	2014 £	2013 £
Stock recognised as an expense		<b>11,386,932</b>	8,590,983
Staff costs	6	<b>438,527</b>	407,241
Depreciation	10	<b>85,441</b>	49,428
Profit on disposal of tangible fixed assets		<b>(600)</b>	-
Operating lease rentals - other		<b>4,552</b>	3,936

Depreciation expense of £85,441 (2013: £49,428) has been charged in 'cost of sales' in the statement of comprehensive income.

#### 4 Exceptional items

During the year ended 31 December 2013 there was an exceptional item of £1,750,000 relating to the release of a provision for impairment of receivables from Separation Technologies UK Limited, a subsidiary undertaking.

#### 5 Auditor's remuneration

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

	2014 £	2013 £
Fees payable to company's auditor for the audit of the company financial statements	<b>12,000</b>	11,400

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 6 Staff costs

	2014	2013
	£	£
Wages and salaries	390,513	364,135
Social security costs	44,192	39,466
Pension costs	3,822	3,640
	<b>438,527</b>	<b>407,241</b>

Average monthly number of employees (including directors) during the year was as follows:

	2014	2013
	No.	No.
Administration	3	3
Operational	5	6
<b>Total average headcount</b>	<b>8</b>	<b>9</b>

A number of the company's directors are remunerated by the ultimate parent undertaking with no recharge to the company. It is not possible to identify separately the directors' emoluments relating to their services provided to this company. Therefore no disclosure of directors' emoluments is presented.

There were no outstanding or prepaid pension contributions as at 31 December 2014 (2013: £Nil). No directors (2013: None) are accruing benefits under the defined contribution scheme.

#### 7 Interest receivable and similar income

	2014	2013
	£	£
Interest receivable on bank deposits	2,325	978

#### 8 Interest payable and similar charges

	2014	2013
	£	£
Finance lease interest	4,110	1,028
Other interest expense	245	-
	<b>4,355</b>	<b>1,028</b>

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 9 Taxation

	Note	2014 £	2013 £
Current tax:			
UK corporation tax on profits for the year		161,040	72,925
Adjustment in respect of prior periods		(4,440)	-
<b>Total current tax</b>		<b>156,600</b>	<b>72,925</b>
Deferred tax:			
Origination and reversal of temporary differences		(8,988)	36,813
Re-measurement of deferred tax due to changes in tax rate		624	(7,383)
Adjustment in respect of prior periods		6,403	-
<b>Total deferred tax</b>	17	<b>(1,961)</b>	<b>29,430</b>
<b>Tax on profit on ordinary activities</b>		<b>154,639</b>	<b>102,355</b>

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	694,803	2,431,260
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	149,313	565,268
Tax effects of:		
Expenses not deductible for tax purposes	2,739	409
Income not taxable	-	(455,939)
Re-measurement of deferred tax due to change in tax rate	624	(7,383)
Adjustments to tax charge in respect of prior years	1,963	-
<b>Corporation tax expense</b>	<b>154,639</b>	<b>102,355</b>

#### Factors affecting current and future tax charges

As a result of changes in the UK main corporation tax rate to 20% from 1 April 2015, which was substantively enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 10 Tangible fixed assets

	Plant, machinery and equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2014	3,691,039	46,040	-	3,737,079
Additions	30,610	4,186	5,800	40,596
Disposals	(8,512)	(8,596)	-	(17,108)
At 31 December 2014	3,713,137	41,630	5,800	3,760,567
<b>Depreciation</b>				
At 1 January 2014	3,416,443	41,472	-	3,457,915
Provided during the year	81,256	4,185	-	85,441
Disposals	(8,512)	(8,596)	-	(17,108)
At 31 December 2014	3,489,187	37,061	-	3,526,248
<b>Net book amount</b>				
<b>At 31 December 2014</b>	<b>223,950</b>	<b>4,569</b>	<b>5,800</b>	<b>234,319</b>
<b>At 31 December 2013</b>	<b>274,596</b>	<b>4,568</b>	<b>-</b>	<b>279,164</b>

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

	2014 £	2013 £
Cost-capitalisation finance lease	199,520	199,520
Accumulated depreciation	(49,880)	(9,976)
<b>Net book amount</b>	<b>149,640</b>	<b>189,544</b>

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.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 11 Investments

	2014	2013
	£	£
<b>Cost and net book value</b>		
At 1 January	2	2
Disposals	(1)	-
<b>At 31 December</b>	<b>1</b>	<b>2</b>

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

During the year, Separation Technologies UK Limited was dissolved. The company has therefore written off its investment of £1.

The company continues to hold a less than 1% shareholding of £1 in a fellow group undertaking, Titan Global Finance plc.

#### 12 Stocks

	2014	2013
	£	£
Consumables	89,498	82,230
Finished goods	1,536,756	615,565
	<b>1,626,254</b>	<b>697,795</b>

All stock is carried at cost, with £Nil (2013: £Nil) having a net realisable value lower than cost.

#### 13 Debtors

	2014	2013
	£	£
Trade debtors	2,934,448	2,528,922
Amounts owed by group undertakings	15,142	71,710
Prepayments	85,147	65,788
Other receivables	77,923	-
	<b>3,112,660</b>	<b>2,666,420</b>

Provisions for impaired debtors are included in 'administrative expenses' in the statement of comprehensive income.

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 14 Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	57	4,303
Trade creditors	493,465	268,069
Amounts owed to group undertakings	-	2,608
Finance lease	35,911	35,911
Taxation and social security	316,908	332,924
Corporation tax	97,136	23,401
Accrual and deferred income	72,829	36,779
	<b>1,016,306</b>	<b>703,995</b>

All borrowings are unsecured and amounts owed to group undertakings are interest free and repayable on demand.

#### 15 Creditors: amounts falling due after more than one year

	2014	2013
	£	£
Finance lease	98,762	134,672

#### 16 Loans and other borrowings

	2014	2013
	£	£
Bank overdraft	57	4,303
Finance lease	134,673	170,853
	<b>134,730</b>	<b>175,156</b>

#### Maturity of financial liabilities

	2014	2013
	£	£
In one year or less, or on demand	35,968	40,214
In more than one year, but no more than two years	35,911	35,911
In more than two years, but no more than five years	62,851	99,031
	<b>134,730</b>	<b>175,156</b>

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 16 Loans and other borrowings (continued)

##### Finance lease

The lease liability is effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2014	2013
	£	£
Gross finance lease liability - minimum lease payments:		
No later than 1 year	40,020	40,020
Later than 1 year and no later than 5 years	110,065	150,085
	150,085	190,105
Future finance charges on finance lease liability	(15,412)	(19,522)
<b>Present value of finance lease liability</b>	<b>134,673</b>	<b>170,583</b>

The present value of finance lease liabilities is as follows:

	2014	2013
	£	£
No later than 1 year	4,109	4,109
Later than 1 year and no later than 5 years	11,303	15,413
	15,412	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% (2013: 20%).

Movement on deferred taxation balance in the period:

	2014	2013
Note	£	£
At 1 January	46,616	17,186
Charged to the statement of comprehensive income	9 (8,364)	29,430
Adjustment in respect of prior years	9 6,403	-
<b>At 31 December</b>	<b>44,655</b>	<b>46,616</b>

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Capital allowances in excess of depreciation	44,655	46,616

# Titan Cement UK Limited

## Notes to the financial statements

### for the year ended 31 December 2014

#### 18 Share capital

	2014	2013
	£	£
<b>Issued and fully paid</b>		
2,200,000 ordinary shares of £1 each	<b>2,200,000</b>	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 £3,822 (2013: £3,640). There were no outstanding or prepaid contributions as at 31 December 2014 (2013: £Nil).

#### 20 Operating lease commitments

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

	<b>Land and buildings</b>		<b>Other</b>	
	2014	2013	2014	2013
	£	£	£	£
No later than one year	<b>195,750</b>	190,750	<b>4,011</b>	4,011
Later than one year but not later than five years	<b>16,313</b>	217,063	<b>2,708</b>	6,719
	<b>212,063</b>	407,813	<b>6,719</b>	10,730

#### 21 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.