

Titan Cement UK Limited

**Annual report and financial statements
for the year ended 31 December 2016**

Registered number: 02209994

Titan Cement UK Limited

Annual report and financial statements for the year ended 31 December 2016

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Titan Cement UK Limited

Company information

Directors:

C Gkikas
G Krystallidis
N Vlassopoulos
P Paschopoulos

Secretary:

Rollits Company Secretaries Limited

Independent auditors:

PricewaterhouseCoopers LLP
2 Humber Quays
Hull
HU1 2BN

Bankers:

Natwest Bank
Hull City Centre Branch
34 King Edward Street
Hull
HU1 3SS

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 2016

The directors present their strategic report for the year ended 31 December 2016.

Business review and future developments

The company continued to carry out its operations of importing and distributing of cement throughout the year. The UK economy grew by 1.8% during 2016, indicating that the economy is recovering from the economic downturn seen in previous years. An upturn in the company's overall business activity has been realised during 2016. As a result the company managed to improve its market position and increase sales volume by 20.8% while turnover increased by £4,996,774 to £23,146,774.

The gross profit for the year amounted to £3,496,055 (2015: £3,045,137) and the total comprehensive income for the financial year amounted to £1,075,187 (2015: £1,006,865). This strong growth has been achieved against the backdrop of political and economic uncertainty faced in the UK through investing in strong working relationships with major customers.

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

Cement sales volumeS for 2017 are projected to be in line with 2016. The company shall continue to gear its business and financial strategies to the current market conditions defending its market position and its profitability, which are expected to slightly decline, in 2017.

Key performance indicators

The directors carry out an annual long term strategy plan review. Each key area of the business is monitored and measured against financial and sales performance indicators to give the directors a better understanding of the development, performance and position of the business in relation to the detailed strategy plan.

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:

	2016 £	2015 £	Change %
Gross profit	3,496,055	3,045,137	15%
Gross return on sales	15.10%	16.8%	(10%)
Total comprehensive income for the financial year	1,075,187	1,006,865	7%
Net return on sales	4.6%	5.5%	(16%)
Free cash flow	(2,028,575)	1,253,291	(262%)

Titan Cement UK Limited

Strategic report for the year ended 31 December 2016 (continued)

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 loss or severe reduction of any key customer, or significantly adverse changes in commercial terms could have a material impact on future performance. Therefore the company performance can be influenced by the dynamics of its customer's end markets, being the construction sector, and their own performance in this sector. Risks are mitigated by monitoring industry and economic developments.

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. Credit risk is also managed through exposure to a wide customer base.
- **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 May 17th 2017 and signed on its behalf by:



C Gkikas
Director

Titan Cement UK Limited

Directors' report for the year ended 31 December 2016

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

Principal risks and uncertainties and future developments

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

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 £1,075,187 (2015: £1,006,865). On 18 March 2016, the Board of Directors declared a final dividend of £4,400,000 (2015: £nil) in respect of the accumulated profits, which was approved by the shareholder on the same date.

Directors

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

C Gkikas N Vlassopoulos
G Krystallidis P Paschopoulos

Corporate governance – systems of risk management and internal control over financial reporting

Formal systems of risk management and internal control over financial reporting operate within the Company including a group policy and procedure manual.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of a Directors' Liability Insurance, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. This indemnity, purchased by Titan Cement Company S.A. and applicable to the directors of Titan Cement UK Limited, was in force throughout the last financial year and is currently in force.

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 auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the Board on *May 17th* 2017 and signed on its behalf by:



C Gkikas
Director

Titan Cement UK Limited

Statement of directors' responsibilities for the year ended 31 December 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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 auditors' report to the members of Titan Cement UK Limited for the year ended 31 December 2016

Report on the financial statements

Our opinion

In our opinion, Titan Cement UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
-

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Titan Cement UK Limited

Independent auditors' report to the members of Titan Cement UK Limited for the year ended 31 December 2016 (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

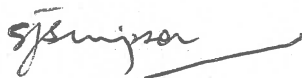
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Steve Simpson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull

17 May 2017

Titan Cement UK Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		23,146,774	18,150,000
Cost of sales		(19,650,719)	(15,104,863)
Gross profit		3,496,055	3,045,137
Distribution costs		(1,850,281)	(1,451,626)
Administrative expenses		(301,602)	(334,367)
Operating profit	3	1,344,172	1,259,144
Interest receivable and similar income	6	6,810	6,990
Interest payable and similar expenses	7	(4,736)	(4,805)
Profit before tax		1,346,246	1,261,329
Tax on profit	8	(271,059)	(254,464)
Profit and Total comprehensive income for the financial year		1,075,187	1,006,865

The notes on pages 11 to 22 are an integral part of these financial statements.

Titan Cement UK Limited

Registered no: 02209994

Statement of financial position as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	128,685	177,703
Investments	10	1	1
		128,686	177,704
Current assets			
Stocks	11	2,163,618	350,937
Debtors	12	3,872,207	4,254,097
Cash at bank and in hand		494,827	2,802,991
		6,530,652	7,408,026
Creditors: amounts falling due within one year	13	(3,296,403)	(853,542)
Net current assets		3,234,249	6,554,484
Total assets less current liabilities		3,362,935	6,732,188
Creditors: amounts falling due after more than one year	14	(26,941)	(62,851)
Deferred taxation	16	(21,827)	(30,357)
Net assets		3,314,167	6,638,980
Capital and reserves			
Called up share capital	17	2,200,000	2,200,000
Profit and loss account		1,114,167	4,438,980
Total shareholders' fund		3,314,167	6,638,980

The notes on pages 11 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were authorised for issue by the Board of Directors on May 17th 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 2016

	Attributable to owners of the parents		
	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance at 1 January 2015	2,200,000	3,432,115	5,632,115
Profit and total comprehensive income for the financial year	-	1,006,865	1,006,865
Balance at 31 December 2015	2,200,000	4,438,980	6,638,980
Profit and total comprehensive income for the financial year	-	1,075,187	1,075,187
Dividend paid for the year	-	(4,400,000)	(4,400,000)
Balance at 31 December 2016	2,200,000	1,114,167	3,314,167

The notes on pages 11 to 22 are an integral part of these financial statements.

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016

1 Summary of significant accounting policies

The financial statements of the company for the year ended 31 December 2016 were authorised for issue by the board of directors on ^{May 17th} 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") as applicable to companies using FRS 101. The financial statements have been prepared under the historical cost convention.

The company is a qualifying entity for the purposes of FRS 101. Note 20 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 IFRS 7 Financial instruments: disclosures;
- The requirements of IAS 7 Statement of cash flows;
- The requirements of paragraph 17 of IAS 24 Related party disclosure (key management compensation);
- 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.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 16 (statement of compliance with all IFRS),
 - (ii) 111 (cash flow statement information), and
 - (iii) 134-136 (capital management disclosures)
- The requirements of paragraph 38 of IAS 1 presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 73(e) of IAS 16 Property, plant and equipment;

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.

Segment reporting

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

Changes in accounting policy and disclosures

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 2016 that have been adopted or have an impact on the financial statements of the company.

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.

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

1 Summary of significant accounting policies (continued)

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 re-measured.

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 useful economic lives, commencing when the assets are first brought into use. The expected useful economic 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 useful economic 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 asset's 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 2016 (continued)

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 by 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 2016 (continued)

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 substantively 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

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

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 are no critical accounting estimates or judgements 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 2016 (continued)

3 Operating profit

	Note	2016 £	2015 £
Stock recognised as an expense		16,551,061	13,034,545
Staff costs	5	459,851	389,285
Depreciation	9	54,470	95,039
Profit on disposal of tangible assets		-	(3,065)
Operating lease rentals - other		3,337	4,402
Loss/(gain) on Foreign exchange differences		32,666	(836)

Depreciation expense of £54,470 (2015: £95,039) has been charged in administration expenses in the statement of comprehensive income.

4 Auditors' remuneration

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

	2016 £	2015 £
Fees payable to company's auditors for the audit of the company financial statements	12,360	12,000

There were no non-audit services provided by the Company's statutory audit firm.

5 Staff costs

	2016 £	2015 £
Wages and salaries	407,492	350,175
Social security costs	44,698	39,110
Other pension costs	7,661	-
	459,851	389,285

Average monthly number of employees during the year was as follows:

	2016 No.	2015 No.
Administration	3	3
Operational	6	6
Total average headcount	9	9

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 2016 (2015: £nil). No directors (2015: None) are accruing benefits under the defined contribution scheme.

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Interest receivable and similar income		2016	2015
		£	£
Interest receivable on bank deposits		6,810	6,990

7 Interest payable and similar expenses		2016	2015
		£	£
Finance lease interest		4,736	4,805

8 Tax on profit		2016	2015
	Note	£	£
Current tax:			
UK corporation tax on profits for the year		279,589	268,762
Adjustment in respect of prior financial year		-	-
Total current tax		279,589	268,762
Deferred tax:			
Origination and reversal of temporary differences	16	(8,530)	(11,038)
Re-measurement of deferred tax due to changes in tax rate		-	(3,260)
Total deferred tax		(8,530)	(14,298)
Tax on profit		271,060	254,464

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit before tax	1,346,246	1,261,329
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	269,249	255,369
Tax effects of:		
Expenses not deductible for tax purposes	1,811	3,427
Income not taxable	-	(973)
Marginal relief	-	(106)
Re-measurement of deferred tax due to change in tax rate	-	(3,260)
Tax on profit	271,060	254,464

Factors affecting current and future tax charges

As a result of a change in the UK corporation tax rate to 20%, which was substantively enacted on 2 July 2013 and was effective from 1 April 2015, the current tax rate decreased to 20% for the year ended 31 December 2016.

Additional changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015 and as part of Finance Bill 2016 on 6 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Tangible assets

	Plant, machinery and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2016	3,738,319	32,656	5,800	3,776,775
Additions	-	5,452	-	5,452
Disposals	-	(971)	-	(971)
At 31 December 2016	3,738,319	37,137	5,800	3,781,256
Accumulated depreciation				
At 1 January 2016	3,579,048	18,864	1,160	3,599,072
Provided during the year	47,708	5,602	1,160	54,470
Disposals	-	(971)	-	(971)
At 31 December 2016	3,626,756	23,495	2,320	3,652,571
Net book amount				
At 31 December 2016	111,563	13,642	3,480	128,685
At 31 December 2015	159,271	13,792	4,640	177,703

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

	2016 £	2015 £
Cost-capitalisation finance lease	199,520	199,520
Accumulated depreciation	(129,688)	(89,784)
Net book amount	69,832	109,736

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.

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Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Investments

	2016 £	2015 £
Cost and net book value		
At 1 January	1	1
At 31 December	1	1

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

11 Stocks

	2016 £	2015 £
Consumables	111,393	116,896
Finished goods	739,059	234,041
Goods in transit	1,313,166	-
	2,163,618	350,937

All stock is carried at cost, with £Nil (2015: £Nil) having a net realisable value lower than cost.

12 Debtors

	2016 £	2015 £
Trade debtors	3,757,454	2,768,816
Amounts owed by group undertakings	7,898	29,390
Prepayments	94,042	1,356,195
Other receivables	12,813	99,698
	3,872,207	4,254,09

No provisions for impaired debtors have been made in the current year (2015: £nil)

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Notes to the financial statements for the year ended 31 December 2016 (continued)

13 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	314,054	241,300
Amounts owed to group undertakings	2,139,386	2,431
Finance lease	35,911	35,911
Taxation and social security	476,616	365,702
Corporation tax	153,587	167,327
Accrual and deferred income	176,849	40,871
	3,296,403	853,542

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

14 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Finance lease	26,941	62,852

15 Loans and other borrowings

	2016	2015
	£	£
Finance lease	62,852	98,762

Maturity of financial liabilities

	2016	2015
	£	£
In one year or less, or on demand	35,911	35,911
In more than one year, but no more than two years	26,941	35,911
In more than two years, but no more than five years	-	26,940
	62,852	98,762

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (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.

	2016	2015
	£	£
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	30,024	70,045
	70,044	110,065
Future finance charges on finance lease liability	(7,192)	(11,302)
Present value of finance lease liability	62,852	98,763

16 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 18% (2015: 18%).

Movement on deferred taxation balance in the year:

	Note	2016	2015
		£	£
At 1 January	8	30,357	44,655
Charged to the statement of comprehensive income	8	(8,530)	(14,298)
At 31 December		21,827	30,357

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Capital allowances in excess of depreciation	21,827	30,357

Titan Cement UK Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

17 Called up share capital

	2016	2015
	£	£
Issued and fully paid		
2,200,000 ordinary shares of £1 each (2015: 2,200,000)	2,200,000	2,200,000

18 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 £7,661 (2015: £nil). There were no outstanding or prepaid contributions as at 31 December 2016 (2015: £nil).

19 Operating lease commitments

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

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
No later than one year	215,000	210,000	-	-
Later than one year but not later than five years	910,000	895,000	-	-
Later than 5 years	2,250,000	2,480,000		
	3,375,000	3,585,000	-	-

20 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.