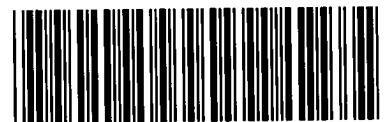


Company Registration No. 01634996 (England and Wales)

MINERAL PRODUCTS ASSOCIATION LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

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MINERAL PRODUCTS ASSOCIATION LIMITED

COMPANY INFORMATION

Directors

W J Brett
M R J Clay
M Coffey
D J Cooper
J V Gonzalez Herrera
N C Jackson
R McNaughton
F R B Petry
M K Riley
R J Stevens
S N Vivian
P R Ward

Secretary

J L McLaughlin

Company number

01634996

Registered office

Gillingham House 4th Floor
38-44 Gillingham Street
London
SW1V 1HU

Auditor

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
United Kingdom
EC4A 4AB

MINERAL PRODUCTS ASSOCIATION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

Principal activities

The principal activity of the Company and its subsidiary is that of a trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar, and silica sand industries. The company is a company limited by guarantee as further described in Note 23.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W J Brett	
M R J Clay	(Appointed 9 June 2016)
M Coffey	
D J Cooper	(Appointed 24 February 2016)
J V Gonzalez Herrera	
N C Jackson	
R McNaughton	
F R B Petry	(Appointed 24 February 2016)
M K Riley	(Appointed 1 February 2016)
R J Stevens	
S N Vivian	
P R Ward	(Appointed 10 June 2016)
C D Plant	(Resigned 29 July 2016)
C Ragoucy	(Resigned 31 January 2016)

Results and dividends

The state of affairs of the Company is set out in the statutory financial statements which follow.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Group auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group auditor is aware of that information.

This report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemption.

By order of the board

5 H May 2017

J L McLaughlin
Secretary

MINERAL PRODUCTS ASSOCIATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company, and of the profit or loss of the group for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 MINERAL PRODUCTS ASSOCIATION LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 4 to 32. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

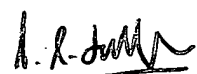
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, 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 (APB's) Ethical Standards for Auditors.

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.



Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

10 May 2017

MINERAL PRODUCTS ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 £	2015 £
Turnover	Notes 3	6,054,409	6,198,158
Administrative expenses		(5,994,614)	(5,796,035)
Operating profit	6	59,795	402,123
Interest receivable and similar income	8	3,028	92,922
Interest payable and similar expenses	9	(33,000)	(26,000)
Profit before taxation		29,823	469,045
Taxation	10	(986)	(3,415)
Profit for the financial year		28,837	465,630
Other comprehensive income net of taxation			
Actuarial loss on defined benefit pension schemes		(362,000)	(842,000)
Tax relating to other comprehensive income		51,190	(64,840)
Total comprehensive income for the year		(281,973)	(441,210)
Profit for the financial year is attributable to:			
- Owners of the parent company		31,837	35,100
- Non-controlling interests		(3,000)	430,530
		28,837	465,630
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(281,973)	207,260
- Non-controlling interests		-	(648,470)
		(281,973)	(441,210)

MINERAL PRODUCTS ASSOCIATION LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		5,460		10,920
Investments	12		1		1
			<u>5,461</u>		<u>10,921</u>
Current assets					
Debtors	14	4,663,942		4,824,453	
Cash at bank and in hand		1,052,390		1,041,695	
		<u>5,716,332</u>		<u>5,866,148</u>	
Creditors: amounts falling due within one year	15	<u>(4,699,786)</u>		<u>(4,833,969)</u>	
Net current assets			<u>1,016,546</u>		<u>1,032,179</u>
Total assets less current liabilities			<u>1,022,007</u>		<u>1,043,100</u>
Provisions for liabilities	17		<u>(283,982)</u>		<u>(304,102)</u>
Net assets excluding pension liability			<u>738,025</u>		<u>738,998</u>
Defined benefit pension liability	19		<u>(1,202,000)</u>		<u>(921,000)</u>
Net liabilities			<u><u>(463,975)</u></u>		<u><u>(182,002)</u></u>
Capital and reserves					
Profit and loss reserves	20		<u><u>(463,975)</u></u>		<u><u>(182,002)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 5th May 2017 and are signed on its behalf by:



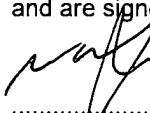
 N C Jackson
 Director

MINERAL PRODUCTS ASSOCIATION LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	11		5,460		10,920
Investments	12		1		1
			<u>5,461</u>		<u>10,921</u>
Current assets					
Debtors	14	4,550,213		4,470,243	
Cash at bank and in hand		660,012		795,438	
		<u>5,210,225</u>		<u>5,265,681</u>	
Creditors: amounts falling due within one year	15	<u>(4,520,679)</u>		<u>(4,612,502)</u>	
Net current assets			<u>689,546</u>		<u>653,179</u>
Total assets less current liabilities			<u>695,007</u>		<u>664,100</u>
Provisions for liabilities	17		<u>(283,982)</u>		<u>(304,102)</u>
Net assets excluding pension liability			<u>411,025</u>		<u>359,998</u>
Defined benefit pension liability	19		<u>(875,000)</u>		<u>(542,000)</u>
Net liabilities			<u><u>(463,975)</u></u>		<u><u>(182,002)</u></u>
Capital and reserves					
Profit and loss reserves	20		<u><u>(463,975)</u></u>		<u><u>(182,002)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £31,837 (2015 - £35,100 profit).

The financial statements were approved by the board of directors and authorised for issue on 54 May 2017 and are signed on its behalf by:



 N C Jackson
 Director

MINERAL PRODUCTS ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 January 2015	(389,262)	(389,262)	648,470	259,208
Year ended 31 December 2015:				
Profit for the year	35,100	35,100	430,530	465,630
Other comprehensive income net of taxation:				-
Actuarial gains on defined benefit plans	(842,000)	(842,000)	-	(842,000)
Tax relating to other comprehensive income	(64,840)	(64,840)	-	(64,840)
Amounts attributable to non-controlling interests	1,079,000	1,079,000	(1,079,000)	-
Total comprehensive income for the year	207,260	207,260	(648,470)	(441,210)
Balance at 31 December 2015	(182,002)	(182,002)	-	(182,002)
Year ended 31 December 2016:				
Profit for the year	31,837	31,837	(3,000)	28,837
Other comprehensive income net of taxation:				
Actuarial gains on defined benefit plans	(362,000)	(362,000)	-	(362,000)
Tax relating to other comprehensive income	51,190	51,190	-	51,190
Amounts attributable to non-controlling interests	(3,000)	(3,000)	3,000	-
Total comprehensive income for the year	(281,973)	(281,973)	-	(281,973)
Balance at 31 December 2016	(463,975)	(463,975)	-	(463,975)

MINERAL PRODUCTS ASSOCIATION LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Profit and loss reserves £
Balance at 1 January 2015	(389,262)
Year ended 31 December 2015:	
Profit for the year	35,100
Other comprehensive income net of taxation:	
Actuarial gains on defined benefit plans	237,000
Tax relating to other comprehensive income	(64,840)
Total comprehensive income for the year	207,260
Balance at 31 December 2015	(182,002)
Year ended 31 December 2016:	
Profit for the year	31,837
Other comprehensive income net of taxation:	
Actuarial losses on defined benefit plans	(365,000)
Tax relating to other comprehensive income	51,190
Total comprehensive income for the year	(281,973)
Balance at 31 December 2016	(463,975)

MINERAL PRODUCTS ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		16,272		(367,255)
Income taxes paid			(8,605)		(4,958)
Net cash inflow/(outflow) from operating activities			7,667		(372,213)
Investing activities					
Interest received		3,028		2,922	
Net cash generated from investing activities			3,028		2,922
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			10,695		(369,291)
Cash and cash equivalents at beginning of year			1,041,695		1,410,986
Cash and cash equivalents at end of year			1,052,390		1,041,695
Relating to:					
Cash at bank and in hand			1,052,390		1,041,695

MINERAL PRODUCTS ASSOCIATION LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(129,849)		(107,815)	
Income taxes paid		(8,605)		(4,958)	
Net cash outflow from operating activities		(138,454)		(112,773)	
Investing activities					
Interest received		3,028		2,922	
Net cash generated from investing activities		3,028		2,922	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(135,426)		(109,851)	
Cash and cash equivalents at beginning of year		795,438		905,289	
Cash and cash equivalents at end of year		660,012		795,438	
Relating to:					
Cash at bank and in hand		660,012		795,438	

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Mineral Products Association Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is Gillingham House 4th Floor, 38-44 Gillingham Street, London, SW1V 1HU.

The Group consists of Mineral Products Association Limited and all of its subsidiaries.

The Company's and the Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of Mineral Products Association Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As shown in Note 19, the Actuary's latest valuation, under section 28 of FRS102, of the Association's obligations to the QPA pension scheme discloses an actuarial value of the scheme's net liabilities of £875,000 at 31 December 2016 (2015: £542,000).

The Group has agreed with the pension scheme trustees the basis on which the shortfall will be met.

The responsibility for the pension scheme of The British Cement Association as shown in Note 19 rests with that company and therefore has no effect on the going concern basis of Mineral Products Association Limited.

The deficit is arising from the long term pension liability. As the members have undertaken to meet the schedule of future payments the directors are of the opinion that the Group would be able to meet its obligations as they fall due.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 - 5 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the Company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Arising from the principal activity	6,054,409	6,198,158
Other revenue		
Interest income	3,028	92,922
Turnover analysed by geographical market		
	2016 £	2015 £
UK	6,054,409	6,198,158

4 Employees

The average monthly number of persons employed during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Administration and management	47	44	47	44

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	2,044,458	1,819,279	2,044,458	1,819,279
Social security costs	238,610	210,238	238,610	211,488
Pension costs	280,540	239,050	280,540	239,050
	2,563,608	2,268,567	2,563,608	2,269,817

During the year there were 10 (2015: 6) persons employed by Mineral Products Association Limited whose sole duties relate to The British Precast Concrete Federation Limited. Their costs, which are included above, were recovered in full from The British Precast Concrete Federation Limited during the year, under the terms of the Service Level Agreement, and are included in turnover (note 25).

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	-	-

The number of directors for whom retirement benefits are accruing under defined benefit schemes amount to nil (2015: nil).

In addition to the above the Company made payments of fees to N C Jackson (director) through Jackson Consulting of £219,144 (2015 £212,760) and expenses were reimbursed to him of £3,099 (2015: £3,962).

6 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	5,460	6,948
Operating lease charges	226,001	234,417

7 Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Group and Company	14,700	14,000
Audit of the Company's subsidiary	3,750	3,750
	18,450	17,750
For other services		
Audit-related assurance services	-	1,500
Taxation compliance services	3,575	3,500
All other non-audit services	5,450	6,750
	9,025	11,750

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	3,028	2,922
Interest on the net defined benefit asset	-	90,000
Total income	3,028	92,922

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Interest receivable and similar income (Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,028	2,922
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2016 £	2015 £
Other finance costs:		
Net interest on the net defined benefit liability	33,000	26,000
	<u> </u>	<u> </u>
Total finance costs	33,000	26,000
	<u> </u>	<u> </u>

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	(3,150)	8,605
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	4,136	(5,190)
	<u> </u>	<u> </u>
Total tax charge	986	3,415
	<u> </u>	<u> </u>

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Taxation (Continued)

During the period, the UK main corporation tax rate was 20%, which was substantively enacted on 26 October 2015, effective from 1 April 2015. Further reduction from 20% to 19% from 1 April 2017 was announced in the Finance (No 2) Act 2015, which had its third reading in the House of Commons on 26 October 2015. The UK main corporation tax rate will reduce to 17% from 1 April 2020, announced in the Finance Bill 2016, which was substantively enacted on 12 September 2016. The changes have been substantively enacted at the balance sheet date and are therefore recognised in these financial statements in the measurement of the deferred tax liability.

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	29,823	469,045
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	5,965	93,809
Tax effect of expenses that are not deductible in determining taxable profit	871	1,156
Unutilised tax losses carried forward	600	84,000
Effect of change in corporation tax rate	(6,450)	(5,444)
Pension adjustment	-	(170,106)
Taxation for the year	986	3,415

The Group has approximately £930,000 (2015: £1,025,000) of losses available to be carried forward against future trading profits. The Company has deferred tax assets of £11,309 (2015: £14,602) in respect of fixed asset timing differences, £160,296 (2015: £184,832) in respect of losses and other deductions and £55,590 (2015: £68,220) in respect of the defined benefit pensions. The value of these deferred tax assets has not been recognised in these financial statements as the company does not expect to make significant taxable profits in the foreseeable future.

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £	2015 £
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(51,190)	64,840

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

Group	Fixtures and fittings
	£
Cost	
At 1 January 2016 and 31 December 2016	164,299
Depreciation and impairment	
At 1 January 2016	153,379
Depreciation charged in the year	5,460
At 31 December 2016	158,839
Carrying amount	
At 31 December 2016	5,460
At 31 December 2015	10,920
Company	Fixtures and fittings
	£
Cost	
At 1 January 2016 and 31 December 2016	164,299
Depreciation and impairment	
At 1 January 2016	153,379
Depreciation charged in the year	5,460
At 31 December 2016	158,839
Carrying amount	
At 31 December 2016	5,460
At 31 December 2015	10,920

12 Fixed asset investments

		Group 2016 £	2015 £	Company 2016 £	2015 £
Notes					
Investments in subsidiaries	13	1	1	1	1

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Fixed asset investments

(Continued)

Movements in fixed asset investments

Group

Shares in
group
undertakings
£

Cost or valuation

At 1 January 2016 and 31 December 2016

1

Carrying amount

At 31 December 2016

1

At 31 December 2015

1

Movements in fixed asset investments

Company

Shares in
group
undertakings
£

Cost or valuation

At 1 January 2016 and 31 December 2016

1

Carrying amount

At 31 December 2016

1

At 31 December 2015

1

13 Subsidiaries

Details of the Company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Concrete Thinking Limited	UK	Dormant	Ordinary	100.00	
The British Cement Association Limited	UK	Representing interests of some of the UK Cement Manufacturers	N/A		

The British Cement Association Limited ("BCA") is a company limited by guarantee. Mineral Products Association Limited ("MPA") entered into a memorandum of understanding with BCA on 2 March 2009 that led to MPA controlling the operations of BCA. As a result of this BCA was consolidated from this date on the basis that it is directly controlled by MPA. However MPA has no rights to the assets of nor obligation for the liabilities, of BCA.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	3,842,630	4,078,780	3,789,775	3,840,580
Corporation tax recoverable	3,150	-	3,150	-
Amount owed by group undertakings	-	-	354,835	267,666
Other debtors	376,405	280,224	59,226	47,078
Prepayments and accrued income	188,210	206,956	188,210	206,956
	<u>4,410,395</u>	<u>4,565,960</u>	<u>4,395,196</u>	<u>4,362,280</u>
Deferred tax asset (note 18)	155,017	107,963	155,017	107,963
	<u>4,565,412</u>	<u>4,673,923</u>	<u>4,550,213</u>	<u>4,470,243</u>
Amounts falling due after more than one year:				
Other debtors	<u>98,530</u>	<u>150,530</u>	<u>-</u>	<u>-</u>
Total debtors	<u>4,663,942</u>	<u>4,824,453</u>	<u>4,550,213</u>	<u>4,470,243</u>

Included in other debtors is an amount of £98,530 (2015: £150,530) due from the BCA members in relation to further payments that may be required to fund the estimated BCA defined benefit pension scheme deficit. As the definitive amount requiring funding will not be known until 2017, at the earliest, this debt will also not be due for more than 12 months at the balance sheet date.

15 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade creditors	499,264	628,197	370,842	451,916
Corporation tax payable	-	8,605	-	8,605
Other taxation and social security	693,358	662,828	693,358	662,828
Other creditors	336,694	300,902	336,694	300,902
Accruals and deferred income	3,170,470	3,233,437	3,119,785	3,188,251
	<u>4,699,786</u>	<u>4,833,969</u>	<u>4,520,679</u>	<u>4,612,502</u>

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,208,129	4,424,453	4,203,836	4,155,324
Carrying amount of financial liabilities				
Measured at amortised cost	4,006,428	4,162,536	3,827,321	3,941,069

17 Provisions for liabilities

	Group 2016 £	2015 £	Company 2016 £	2015 £
Project costs	283,982	304,102	283,982	304,102

Movements on provisions:

Group	Project costs £
At 1 January 2016	304,102
Utilisation of provision	(20,120)
At 31 December 2016	283,982
Company	Project costs £
At 1 January 2016	304,102
Utilisation of provision	(20,120)
At 31 December 2016	283,982

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

18 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Assets 2016 £	Assets 2015 £
Group		
Accelerated capital allowances	1,465	1,124
Retirement benefit obligations	148,750	97,560
Other timing differences	4,802	9,279
	<u>155,017</u>	<u>107,963</u>
	<u><u>155,017</u></u>	<u><u>107,963</u></u>
	Assets 2016 £	Assets 2015 £
Company		
Accelerated capital allowances	1,465	1,124
Retirement benefit obligations	148,750	97,560
Other timing differences	4,802	9,279
	<u>155,017</u>	<u>107,963</u>
	<u><u>155,017</u></u>	<u><u>107,963</u></u>

The deferred tax asset set out above relating to decelerated capital allowances and other timing differences is expected to reverse within 12 months. The deferred tax asset on the retirement benefit obligations will reverse when the actuarial loss is extinguished.

19 Retirement benefit schemes

The Group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Group charged to the profit and loss account amounted to £280,540 (2015: £239,050). Contributions totalling £nil (2015 £25,261) were payable to the fund at the year end and are included in creditors.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Retirement benefit schemes (Continued)

Defined benefit schemes

The Group operates two defined benefit plans for qualifying employees of its employees in the UK as detailed below. Mineral Products Association Limited operates the plan "QPA Scheme". The British Cement Association operates the plan "BCA Scheme". Under the schemes, the employees are entitled to retirement benefits varying between 40 and 65 per cent of final salary on attainment of a retirement age of 60. Details of the two defined benefit plans are given separately below.

No other post-retirement benefits are provided. The schemes are fully funded schemes.

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 31 December 2015.

The liability recognised in these financial statements is:

	2016 £	2015 £
QPA Scheme	875,000	542,000
BCA Scheme	<u>327,000</u>	<u>379,000</u>
	<u>1,202,000</u>	<u>921,000</u>

QPA Scheme

	2016 %	2015 %
<i>Key assumptions</i>		
Discount rate	2.5	3.7
Expected rate of increase of pensions in payment	3.3	3.0

	2016 Years	2015 Years
<i>Mortality assumptions</i>		
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.9	21.9
- Females	23.9	23.9
Retiring in 20 years		
- Males	23.2	23.1
- Females	25.4	25.4

QPA and BCA Schemes combined

	2016 £	2015 £
<i>Amounts recognised in the profit and loss account</i>		
Net interest on defined benefit liability/(asset)	33,000	(64,000)
Other costs and income	<u>157,000</u>	<u>222,000</u>
Total costs	<u>190,000</u>	<u>158,000</u>

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19 Retirement benefit schemes (Continued)

	2016 £	2015 £
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(779,000)	(595,000)
Add: calculated interest element	158,000	767,000
Return on scheme assets excluding interest income	(621,000)	172,000
Actuarial changes related to obligations	983,000	(1,025,000)
Other gains and losses	-	1,695,000
Total costs	362,000	842,000

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Present value of defined benefit obligations	6,203,000	5,289,000	5,791,000	4,882,000
Fair value of plan assets	(5,001,000)	(4,368,000)	(4,916,000)	(4,340,000)
Deficit in scheme	1,202,000	921,000	875,000	542,000

	Group 2016 £	Company 2016 £
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 January 2016	5,289,000	4,882,000
Benefits paid	(368,000)	(256,000)
Actuarial gains and losses	983,000	989,000
Interest cost	191,000	176,000
Other	108,000	-
At 31 December 2016	6,203,000	5,791,000

	Group 2016 £	Company 2016 £
<i>The defined benefit obligations arise from plans funded as follows:</i>		
Wholly unfunded obligations	1,202,000	875,000
Wholly or partly funded obligations	5,001,000	4,916,000
	6,203,000	5,791,000

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19 Retirement benefit schemes (Continued)

	Group 2016 £	Company 2016 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 January 2016	4,368,000	4,340,000
Interest income	158,000	157,000
Return on plan assets (excluding amounts included in net interest)	621,000	624,000
Benefits paid	(368,000)	(256,000)
Contributions by the employer	271,000	100,000
Other	(49,000)	(49,000)
At 31 December 2016	<u>5,001,000</u>	<u>4,916,000</u>

The analysis of the scheme assets at the reporting date were as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Equity instruments	1,961,000	1,761,000	1,961,000	1,761,000
Debt instruments	962,000	853,000	962,000	853,000
Gilts	1,977,000	1,672,000	1,977,000	1,672,000
Other assets	101,000	82,000	16,000	54,000
	<u>5,001,000</u>	<u>4,368,000</u>	<u>4,916,000</u>	<u>4,340,000</u>

20 Reserves

Reserves represent the following:

Profit and loss account

Cumulative profit and loss.

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

21 Cash generated from Group operations

	2016 £	2015 £
Profit for the year after tax	28,837	465,630
Adjustments for:		
Taxation charged	986	8,605
Finance costs	33,000	26,000
Investment income	(3,028)	(92,922)
Depreciation and impairment of tangible fixed assets	5,460	6,948
Pension scheme non-cash movement	(114,000)	(669,000)
Decrease in provisions	(20,120)	(6,857)
Movements in working capital:		
Decrease/(increase) in debtors	210,715	(277,952)
(Decrease)/increase in creditors	(125,578)	172,293
Cash generated from/(absorbed by) operations	16,272	(367,255)

22 Cash generated from Company operations

	2016 £	2015 £
Profit for the year after tax	31,837	35,100
Adjustments for:		
Taxation charged	986	8,605
Finance costs	19,000	26,000
Investment income	(3,028)	(2,922)
Depreciation and impairment of tangible fixed assets	5,460	6,948
Pension scheme non-cash movement	(51,000)	(59,000)
Decrease in provisions	(20,120)	(6,857)
Movements in working capital:		
(Increase)/decrease in debtors	(29,766)	45,010
Decrease in creditors	(83,218)	(160,699)
Cash absorbed by operations	(129,849)	(107,815)

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 Members' Liability

Mineral Products Association Limited is a company limited by guarantee and not having a share capital. In the event of the Company being wound up the liability of each member is limited to £10.

24 Operating lease commitments

Lessee

Operating lease payments represent rental payable by the Group for its properties, for motor vehicles and for office equipment. Motor and equipment leases are negotiated for an average of 3-5 years with fixed rental payments due.

At the reporting end date the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	233,244	180,435	233,244	180,435
Between one and five years	308,461	371,102	308,461	371,102
	<u>541,705</u>	<u>551,537</u>	<u>541,705</u>	<u>551,537</u>

MINERAL PRODUCTS ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

25 Related party transactions

Transactions with related parties

The levy income is derived from member companies. Those same member companies appoint from among themselves representatives who serve on the Board who are, for Companies Act purposes, directors of the Company. These representatives are also directors or senior executives of the member company. These key management personnel received no compensation for services rendered during the year (2015: £Nil).

Mineral Products Association Limited has funded The Quarry Products Pension Scheme in that it operates and funds the pensions paid to members of the Scheme in retirement and is periodically reimbursed by the Pension Scheme. At 31 December 2016 the scheme owed the Association £45,165 (2015: £41,657)

During the year subscriptions of £433,662 (2015: £350,436) were invoiced on behalf of British Precast Concrete Federation (BPCF), a member company. At 31 December 2016 a balance of £3,308 in relation to this was included within other creditors (2015: £274,330)

BPCF was re-charged costs of £37,331 (2015: £104,534) in respect of the salaries of BPCF employees paid by MPA on behalf of BPCF. BPCF was also charged £328,208 (2015: £210,074) in respect of staff costs of the MPA employees who were the subject of a TUPE transfer from BPCF.

In addition BPCF was charged management fees of £54,000 (2015: £54,000), services provided under the Service Level Agreement of £136,475 (2015: £136,475) and other costs of £97,039 (2015: £28,660). BPCF charged and re-charged MPA £409,612 (2015: £406,305) in respect of joint member invoices and £11,428 (2015: £4,426) in respect of other costs. At 31 December 2016 the debtor due from BPCF was £39,886 (2015: £139,142).

During the year the Company charged management fees of £563,635 (2015: £667,666) to the British Cement Association Limited, a company controlled by The Mineral Products Association Limited through a Memorandum of Understanding dated 2 March 2009. At 31 December 2016, £354,865 was owed to Mineral Products Association Limited by The British Cement Association Limited (2015: £267,666).

26 Controlling party

There is no ultimate controlling party.