

Company Registration No. 3473666

Dragon Alfa Cement Limited

Report and Financial Statements

31 December 2014

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Dragon Alfa Cement Limited

Report and financial statements 2014

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Dragon Alfa Cement Limited

Report and financial statements 2014

Officers and professional advisers

Directors

V Garcia Brosa
J Prego Gonzalez
J Urculo Bareno

Secretary

S D Evans

Registered office

The Cement Terminal
Sharpness Docks
Sharpness
Gloucester
GL13 9UX

Bankers

Barclays Bank
P.O Box 3
1 Princes Street
Ipswich
Suffolk
IP1 1PB

Solicitors

TLT Solicitors
One Rediff Street
Bristol
BS1 6TP

Statutory Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Dragon Alfa Cement Limited

Directors' report

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

Principal activity

The principal activity of the company is the importation and distribution of bulk and bagged cement products to the construction industry. It will continue in this activity for the foreseeable future.

Results and dividends

The profit for the year, after taxation, amounted to £437,751 (2013: £373,457).

A dividend of £1,400,000 (2013: £1,400,000) was paid during the year.

Directors

The directors who served during the year and subsequently were:

V Garcia Brosa (appointed 25 February 2014)

J Prego Gonzalez

J Urculo Bareno

Supplier payment policy

The company's policy concerning the payment of its trade creditors and other suppliers is to agree the terms of payment with those creditors/suppliers when agreeing the terms of each transaction, ensure that those creditors/suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts and pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception. At 31 December 2014, the company had an average of 55 days (2013: 55 days) purchases outstanding in its trade creditors.

Provision of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Joaquin Prego Gonzalez
Director

3 March 2015

Dragon Alfa Cement Limited

Strategic Report

Business review

The directors are pleased to note that despite difficult economic and industry trading conditions the company has achieved both an increase in turnover from £15.8m to £20.4m and an increase in profits before taxation from £0.5m to £0.6m.

The company has managed to increase its turnover by ensuring that its customer base have access to competitive market terms enabling them to advance their volumes.

Development and performance of the business

	2014	2013	2012	2011	2010
Turnover (£)	20,370,139	15,811,936	13,371,308	16,882,231	15,267,600
Turnover growth	29%	18%	(21)%	11%	(1)%
Gross profit margin	21%	22%	22%	21%	23%
Profit before tax (£)	<u>576,803</u>	<u>497,942</u>	<u>417,231</u>	<u>659,428</u>	<u>898,573</u>

Position of the business

At the end of the year, the net assets totalled £2.3m (2013: £3.2m).

Given the straightforward nature of the business, the directors are of the opinion that the analysis of further key performance indicators is not necessary for an understanding of development, performance or position of the business.

Financial risk management

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate risk, cash flow risk and foreign exchange rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of the company's operations. The costs of managing exposure to commodity price risk exceed any potential benefits. The company has no exposure to equity security price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Dragon Alfa Cement Limited

Strategic Report

Financial risk management (continued)

Liquidity risk

The company retains sufficient cash and utilises short term debt finance facilities to ensure that it has sufficient available funds for operations/expansions.

Interest rate cash flow risk

The company has interest bearing assets and liabilities. Interest bearing assets consist only of cash balances which earn interest at a floating interest rate. Interest bearing liabilities include bank overdrafts, on which interest is paid at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Foreign exchange rate risk

The company operates solely in the United Kingdom but is exposed to foreign exchange rate risk through its procurement of goods from Spain, the invoices for which are then paid in accordance with the pre-agreed terms and conditions. The company does not use derivative financial instruments to manage foreign currency rate risks and as such, no hedge accounting is applied.

The directors shall revisit the appropriateness of the above policies should the company's operations change in size or nature.

Going concern

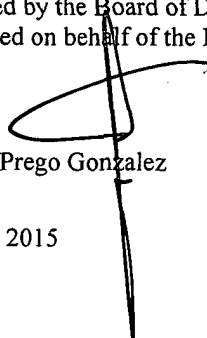
The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of this strategic report; the company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposure to credit risk and liquidity risk are discussed above. Information about the financial position of the company can also be found in the balance sheet presented on page 8.

The current economic conditions create uncertainty particularly over the level of demand for the company's products; the exchange rate between sterling and Euro and thus the consequence for the cost of the company's raw materials; and the availability of bank finance in the foreseeable future.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without the use of external borrowing facilities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Approved by the Board of Directors
and signed on behalf of the Board

X

Joaquin Prego Gonzalez
Director

31 March 2015

Dragon Alfa Cement Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 company and of the profit or loss of the company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Dragon Alfa Cement Limited

We have audited the financial statements of Dragon Alfa Cement Limited for the year ended 31 December 2014, which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes 1 to 23. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

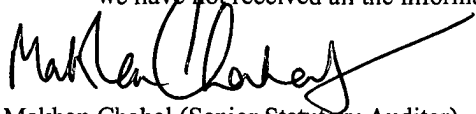
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Makhan Chahal (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

31 March 2015

Dragon Alfa Cement Limited

Profit and loss account Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	20,370,139	15,811,936
Cost of sales		(16,173,108)	(12,361,840)
Gross profit		4,197,031	3,450,096
Distribution costs		(2,160,449)	(1,756,940)
Administration costs		(1,463,099)	(1,202,810)
Operating profit	3	573,483	490,346
Interest receivable	7	3,320	7,697
Interest payable	6	-	(101)
Profit on ordinary activities before taxation		576,803	497,942
Tax on profit on ordinary activities	8	(139,052)	(124,485)
Profit for the financial year	16, 17	437,751	373,457

The results above relate to continuing operations.

The company has no recognised gains or losses for the year other than the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes are an integral part of the profit and loss account.

Dragon Alfa Cement Limited

Balance sheet

As at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	10	647,867	910,334
Current assets			
Stocks	11	746,619	1,185,688
Debtors	12	2,655,740	2,032,799
Cash at bank and in hand		249,672	928,993
		3,652,031	4,147,480
Creditors: amounts falling due within one year	13	(2,010,754)	(1,779,801)
Net current assets		1,641,277	2,367,679
Total assets less current liabilities		2,289,144	3,278,013
Provisions for liabilities	14	(12,019)	(38,639)
Net assets		2,277,125	3,239,374
Capital and reserves			
Called up share capital	15	723,584	723,584
Profit and loss account	16	1,553,541	2,515,790
Shareholders' funds	17	2,277,125	3,239,374

The financial statements of Dragon Alfa Cement Limited registered number 3473666 were approved by the Board of Directors on 31 March 2015.

Signed on behalf of the Board of Directors

X

Joaquin Prego Gonzalez
Director

The accompanying notes are an integral part of this balance sheet.

Dragon Alfa Cement Limited

Cash flow statement As at 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	889,898	987,250
Returns on investments and servicing of finance	20	3,320	7,596
Taxation	20	(195,539)	(163,484)
Financing	20	-	(5,373)
Capital expenditure and financial investment	20	23,000	31,250
Dividends paid	9	(1,400,000)	(1,400,000)
(Decrease)/increase in cash in the year	21	<u>(679,321)</u>	<u>(542,761)</u>

The accompanying notes are an integral part of this cash flow statement.

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The principal accounting policies are set out below and have all been applied consistently throughout the year and the preceding year.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Strategic Report; the company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposure to credit risk and liquidity risk are discussed above. Information about the financial position of the company can also be found in the balance sheet presented on page 8.

The current economic conditions create uncertainty particularly over the level of demand for the company's products; the exchange rate between sterling and Euro and thus the consequence for the cost of the company's raw materials; and the availability of bank finance in the foreseeable future.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate without the use of external borrowing facilities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Related party disclosures

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures' on the grounds that it is a wholly owned subsidiary of a group headed by Cementos Alfa S.A. group, whose accounts are publicly available.

Turnover

Turnover represents the value, net of value added tax and trade discounts, of goods supplied to customers during the year. Turnover is recognised at the point of despatch when the risks and rewards of those goods are substantially transferred to the customer.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Costs include the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Leasehold improvements	over the lease term
Plant and equipment	15% straight line basis
Office equipment	15% straight line basis
Motor vehicles	25% reducing balance basis

Stock

Stock is stated at the lower of cost and net realisable value on a first in first out basis. Cost includes all direct costs incurred in bringing the finished goods to their present condition and location. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective stocks.

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies (continued)

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, even if the payments are not made on such a basis.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

2. Turnover

Turnover by destination is wholly attributable to the United Kingdom. The company's activities consist solely of the sale of bagged and bulk cement for the construction industry.

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

3. Operating profit

	2014 £	2013 £
Operating profit is stated after charging/(crediting):		
Operating lease charges in respect of land and buildings	57,377	53,199
Profit on disposal of tangible fixed assets	(10,634)	(10,258)
Staff costs (note 4)	698,483	704,503
Depreciation of owned tangible fixed assets	250,101	280,790
Auditor's remuneration		
Fees payable to the company auditor for the audit of the company's financial statements	7,200	8,573

4. Employees

The average number of persons employed by the company during the year, analysed by category was as follows:

	2014 No.	2013 No.
Administration staff	3	3
Delivery and site staff	10	11
	13	14

The aggregate payroll costs of these persons were as follows:

	2014 £	2013 £
Wages and salaries	578,081	565,871
Social security	63,887	63,413
Other pension costs	56,515	75,219
	698,483	704,503

5. Directors' emoluments

None of the directors who served in the current or prior year were employees of the company, and none of them received any remuneration from the company or other group companies in their specific capacity as directors of this company.

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

6. Interest payable

	2014 £	2013 £
Hire purchase interest	-	101

7. Interest receivable

	2014 £	2013 £
Bank interest	3,320	7,697

8. Tax on profit on ordinary activities

Analysis of tax charge in the year:	2014 £	2013 £
Current tax		
UK corporation tax on profit for the year	165,672	164,540
Total current tax charge	165,672	164,540
Deferred tax		
Origination and reversal of timing differences (note 14)	(26,620)	(40,055)
Tax on profit on ordinary activities	139,052	124,485

Factors affecting tax charge for the year

The current tax charge for the year is higher (2013: higher) than the average standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	576,803	497,942
Profit on ordinary activities multiplied by average standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	123,973	115,755
Effects of:		
Expenses not deductible for tax purposes	(1)	(45)
Capital allowances for the year less than depreciation	41,700	48,830
Current tax charge for year	165,672	164,540

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

8. Tax on profit on ordinary activities (continued)

The company's future tax charge will be affected by the change in the UK corporation tax rate.

The government reduced the rate of corporation tax to 21% with effect from 1 April 2014 and intends to further reduce the rate of corporation tax to 20% from 1 April 2015. As this change has not been substantively enacted at the balance sheet date it is not included in these financial statements.

9. Dividends

	2014 £	2013 £
Equity dividends		
Ordinary dividend paid of £1.93 (2013: £1.93) per ordinary share	1,400,000	1,400,000

10. Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2014	839,427	3,394,935	30,844	151,084	4,416,290
Disposals	-	-	-	(100,084)	(100,084)
At 31 December 2014	839,427	3,394,935	30,844	51,000	4,316,206
Accumulated depreciation					
At 1 January 2014	574,742	2,770,321	30,843	130,050	3,505,956
Disposals	-	-	-	(87,718)	(87,718)
Charge for the year	59,439	186,355	-	4,307	250,101
At 31 December 2014	634,181	2,956,676	30,843	46,639	3,668,339
Net book value					
At 31 December 2014	205,246	438,259	1	4,361	647,867
At 31 December 2013	264,685	624,614	1	21,034	910,334

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

11. Stocks

	2014 £	2013 £
Finished goods and goods for resale	<u>746,619</u>	<u>1,185,688</u>

In the opinion of the directors, there is not a material difference between the book value of stock and the current replacement cost.

12. Debtors

	2014 £	2013 £
Amounts falling due within one year:		
Trade debtors	2,603,638	1,974,600
Prepayments and accrued income	50,618	58,199
Amounts owed by group undertakings	1,484	-
	<u>2,655,740</u>	<u>2,032,799</u>

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	677,333	525,934
Amounts owed to group undertakings	675,953	467,634
Corporation tax	52,672	82,540
Other taxation and social security costs	561,365	653,125
Other creditors	4,384	3,452
Accruals and deferred income	39,047	47,116
	<u>2,010,754</u>	<u>1,779,801</u>

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

14. Provision for liabilities

	Deferred taxation £
At 1 January 2014	38,639
Credited to the profit and loss account (note 8)	<u>(26,620)</u>
At 31 December 2014	<u>12,019</u>

Deferred tax comprised of accelerated capital allowances in both the current and prior year. There is no unprovided deferred tax in the current year (2013: £nil).

15. Share capital

	2014 £	2013 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
723,584 Ordinary shares of £1 each	<u>723,584</u>	<u>723,584</u>

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

16. Reserves

	Profit and loss account £
At 1 January 2014	2,515,790
Profit for the year	437,751
Dividends (note 9)	(1,400,000)
At 31 December 2014	<u>1,553,541</u>

17. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Profit for the financial year	437,751	373,457
Dividends	(1,400,000)	(1,400,000)
	<u>(962,249)</u>	<u>(1,026,543)</u>
Opening shareholders' funds	3,239,374	4,265,917
Closing shareholders' funds	<u>2,277,125</u>	<u>3,239,374</u>

18. Financial commitments

At 31 December the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2014 £	2013 £
Over five years	<u>57,377</u>	<u>53,199</u>

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

19. Reconciliation of operating profit to operating cash flows

	2014 £	2013 £
Operating profit	573,483	490,346
Depreciation charges	250,101	280,790
Profit on disposal of fixed assets	(10,634)	(10,258)
Decrease/(increase) in stocks	439,069	(514,287)
Increase in debtors	(622,941)	(210,904)
Increase in creditors	260,820	951,563
Net cash inflow from operating activities	889,898	987,250

20. Analysis of cash flows

	2014 £	2013 £
<i>Returns on investments and servicing of finance</i>		
Interest received	3,320	7,697
Interest paid	-	(101)
Net cash inflow	3,320	7,596
<i>Taxation</i>		
Tax paid	(195,539)	(163,484)
Net cash outflow	(195,539)	(163,484)
<i>Financing</i>		
Capital element of finance lease rental payments	-	(5,373)
Net cash outflow	-	(5,373)
<i>Capital expenditure and financial investment</i>		
Sale of tangible fixed assets	23,000	31,250
Net cash inflow	23,000	31,250

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

21. Analysis of changes in net funds

	1 January 2014 £	Change in net funds from cash flows £	31 December 2014 £
Cash at bank and in hand	928,993	(679,321)	249,672
Net funds	928,994	(679,321)	249,672

22. Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £56,515 (2013: £75,219).

Amounts unpaid but due (included in other creditors) as at 31 December 2014 amounted to £1,710 (2013: £1,716).

23. Related parties

Controlling entity

The company's immediate parent company is Cementos Alfa S. A. which is registered in Spain and heads the group for which consolidated financial statements are prepared. Its' group accounts are available to the public at the company's registered address Josefina de al Maza No 4, Parque Empresarial Piasca, 39012, Santander, Cantabria.

The ultimate controlling party is Fomento de Construcciones y Contratas S.A. a company incorporated in Spain and listed on the Spanish stock exchange. The largest group for which group financial statements is prepared is Fomento de Construcciones y Contratas S.A. and copies of the consolidated financial statements may be obtained from C/Tederico Salmon, 13-28016, Madrid, Spain.

Related party transactions

As disclosed above the company is a wholly owned subsidiary. It has therefore taken advantage of the exceptions available to it under Financial Reporting Standard 8 Related Party Transactions ("FRS 8") and is not required to disclose transactions with other wholly owned subsidiaries.

Dragon Alfa Cement Limited

Notes to the financial statements Year ended 31 December 2014

23. Related parties (continued)

During the year the company entered into the following transactions with fellow Fomento de Construcciones y Contratas S.A. group companies that are not wholly owned. Details of the transactions are as follows:

	2014	2013
	£	£
Purchases from group companies		
Cementos Portland Valderrivas S.A.	602,802	1,081,735
Southern Cement Ltd	-	2,010
Cementos Alfa S.A.	10,026,659	7,471,733

	2014	2013
	£	£
Management charges		
Cementos Portland Valderrivas S.A.	300,330	65,048

As at the year end, the following balances were due to fellow Fomento de Construcciones y Contratas S.A. group companies:

	2014	2013
	£	£
Equipment rent & insurance		
Cementos Portland Valderrivas S.A.	4,563	3,382

	2014	2013
	£	£
Included in amounts owed to group undertakings		
Cementos Alfa S.A.	421,443	467,634
Cementos Portland Valderrivas S.A.	254,510	-

	2014	2013
	£	£
Included in amounts owed by group undertakings		
Uniland Trading BV	1,484	-