CEMENTARNICA "USJE" AD - SKOPJE

Statutory Financial Statements

31 December 2014

This report is translation of the original report published in Macedonian language

CEMENTARNICA "USJE" AD - SKOPJE

ANNUAL REPORT 2014

Skopje, February 2015

CONTENTS

1. GENERAL

Cementarnica "Usje" A.D. - Skopje (the "Company" or "Usje") is incorporated in the Republic of Macedonia with the registered address at Boris Trajkovski 94, Skopje.

The Company's main activity is production and trade of cement, masonry cement, ready mix concrete, clinker and other related products.

2. SALES PERFORMANCE

Cement: Increased consumption on infrastructure projects partially compensated the severe drop of the residential market, thus resulting in a small drop in cement consumption.

In the condition of practically stable market demand, Usje total sales decreased by 8,5% comparing to 2013, out of which, 5,4% on domestic and 19,4% for exports, while at the same time iimports are estimated to have increased by 15%.

Despite of cement sales drop, the favorable dynamics of energy cost and savings in fixed expenses resulted with growth of EBITDA in 2014 for 7,3% compared to 2013.

Vertical Integration: The RMC operation in a declining Skopje market scored well and finished the year with increased volumes of 13.5% vs. 2013. Driven by improvements in operational efficiency the operating performance wastumed positive. The sales of aggregates followed the deteriorating market trends,, however this business activity achieved overall positive results.

3. OPERATIONS

Operation of the both kilns in 2014 has followed the market demands focusing on optimization of the stocks and working capital throughout the year. During 2014 rotary kiln no.3 operated with utilization factor of about 30% which is not a sustainable figure in the long run, while kiln no.4 with utilization factor of about 71%. Cement mills were operating with overall utilization factor of less than 35%.

Usje continued providing the required cement for the project of the new highway section Demir Kapija-Smokvica for the stage completed in 2014.

In line with USJE's philosophy of innovation and continuous response to customer needs two new types of cement were introduced aiming to improve certain performance indicators and supply sulphate resistant cement with low heat of hydratation for special applications.

4. HEALTH & SAFETY

Health and Safety at work remains number one priority in the Group and USJE. Permanent efforts on each level, continuous education and trainings, knowledge and experience exchange and everyday promotion of this aspect of operations is the solid base to achieve our targets and embed an all-inclusive proactive safety culture.

As a result of more demanding and strict national legislation, several comprehensive projects were done in 2014. Revision of the "Job Risck Assessment" studies for all work positions, studies for "Firefighting and evacuation" for about 20 buildings, and "Risk Assessment" and "Evacuation and Rescue" studies for the entire plant started.

New system of internal audits and incident investigation was introduced and delivered promising results. Out of 506 detected or reported unsafe conditions, 373 were already eliminated (74%), while the rest will be finished during the general overhaul (Jan-Feb '15).

However, during the year there was injury LTI of our employee, but also two serious injuries of contractors that happened out of our premises. This indicates that USJE hasto keep on giving their best efforts, focusing on contractors especially when they are out of our premises and are out of its direct control. At the end of the year the plant management agreed on an action plan, and started with implementation immediately.

5. CORPORATE SOCIAL RESPONSIBILITY

CSR has been at the core of Titan's philosophy ever since its early years and had a direct and permanent impact on its performance as a business enterprise, on its labour relations and on community involvement.

Focus of our CSR strategy in 2014 continued with the stakeholder's engagement process, our employees, suppliers, business partners and institutions, as well as the local and wider community, through various initiatives and disseminating best practices.

Communication on Progress - UN Global Compact: CSR & Sustainability Report

In 2014, USJE issued the fifth Corporate Social Responsibility and Sustainability Report, stating all the efforts, commitments and best practices of USJE in the field of Corporate Social Responsibility. The CSR Report was disseminated and communicated all our stakeholders, through Usje web-site (www.usje.com.mk) and placed on UN Global Compact web-page as Communication on Progress report.

Usje supported the UN Global Compact European Local Networks Conference in Skopje

High representatives of the United Nations Global Compact headquarters in New York and over thirty representatives of the local networks from many countries visited Cementarnica Usje AD Skopje, as a role model of a company that fully adheres to the principles of the Global Compact in its operations. Part of the 36-member delegation that made a study visit to our company was also Walid Nagi, Head of the local networks in the headquarters of the UN Global Compact in New York, as well as the persons responsible for the Global Compact local networks from more than 20 countries.

The study visit to USJE is an activity within this year's European Conference organized by the Macedonian Global Compact Network, and the purpose of the visit is to share experience and discuss the process of full implementation of the principles of the Global Compact and their improvement.

Community Development Projects

In line with our strategy to be a role model in responsible governance, USJE continues with the collaborative projects with the community, including the newly launched Skills for Job Project with the technical high schools, the traditional Partnering with Schools Project, and support for the children with special needs, MBA scholarships etc.

This year, USJE started projects with non-governmental organizations in issues such as environment protection, energy efficiency, waste reduction and raising environmental awareness among the young population.

Skills for Jobs Project - Practical training of technical secondary school students

Following our strategic determination for support to development through education and building upon our strong local partnerships, good neighbourly relations and responding to the needs of our community and the society at large, the company launched a program for practical training of students from technical high schools of mechanical and electrical vocation located in the capital of Macedonia. USJE has recognized the need for developing the practical skills of young electrical and mechanical technicians in the country.

The main goal of this project is to build strong connections between the business sector and players concerned with the education of young students, especially in the field of technical skills. With this project, that provides students with practical experience, technical skills and know-how, we aim to increase the employability of high school graduates as well as to create possible bench workforce.
The project includes students from the three state technical high schools SETU "Mihajlo Pupin", SUGS "Vlado Tasevski" and SUGS "8 Septemvri" or total 135 students completed the practical training. The practical training of the students is under mentorship of USJE experts and specialists in the concerned fields, namely from mechanical and electrical maintenance, along with their school teacher. At the introductory class, students are introduced to the H&S standards and efforts at our plant. Furthermore, the students are trained in a special workshop classroom, at the site of production and maintenance equipment and process in line with their curriculum and needs.

Employees Training and Development

The Company continued its effort to train and develop its employees, with special focus on health and safety, environment, technical knowledge, as well as soft skills. Total training hours for our employees in 2014 were 6546 thus corresponding to average 20.7 training hours per employee. Training hours for both employees and contractors were 7094.
Development of our people and contractors in H&S area continued with high intensity; the number of H&S training reached 1857 hours for our people and 548 for contractors.

Communication Day of Cementarnica USJE AD Skopje

Our values are based on transparency and open dialogue, while our strategy relies on and is focused our human capital. Hence, we believe that it is very important our employees to be promptly informed about the Company and the Group achievements and furthermore about the current global trends and how they affect our operations. Moreover, we believe that employee engagement is essential to improving Company's performance and sustainability.
With this purpose, the second Communication Day with employees of USJE was organized in June 2014 with about 80 of our employees from all Departments present.
Employees have been presented the recent USJE developments & situation, TITAN Group`s achievements and challenges in the future, business innovation and developing talents.
The Group Organizational Development Manager provided a thorough insight in the TITAN Group People Management Framework.
At the end of the Event, employees with 10, 20, 30, 35 and 40 years of service were presented with jubilee awards.

Awards for Corporate Social Responsibility

Cementarnica USJE AD Skopje won CSR recognition in the category Environment, for the project "Noise reduction". The competition National Awards for Best Socially Responsible Practices in 2013, was organized by the National Coordinating Body for CSR, supported by the European Union and implemented by the Ministry of Economy and the CSR for All Project.

These recognitions are verification of Usje's efforts and commitment to be a responsible corporate citizen and to contribute for the growth and the wellbeing of all stakeholders, including our customers and suppliers, the environment, and the society as a whole.

6. ENVIRONMENTAL

Usje, as a part of TITAN Group, is committed to sustainable development and continuous improvement of its environmental footprint..
In this context, some of the projects realized in the course of 2014 are listed below.

Green Belt

Within the project Green Belt, in the year 2014 a total of 21.772 seedlings were planted, out of which 13186 were planted at the quarries, 5297 within the factory, whereas the remaining 3289 seedlings were donated to the Municipality of Kisela Voda and to the City of Skopje for planting on the public areas.

Significant activity of the green belt development is greening the end slopes outside the marl quarry. Within this activity in November 2014, employees of Usje together with the neighbors from Pripor settlement planted more than 5000 trees on a surface of 3.5 ha. The aim of this activity is to develop forest park that will serve as a barrier between the quarry and the residential area.

Study on Noise minimization

The production of cement, as most other industrial activities, and as a result of the rotating parts of equipment, transport of materials, etc, causes noise.

The measured noise levels along the factory and quarries does not exceed the stipulated permissible limits, but, nonetheless, as a socially responsible company, Usje Cement Factory in cooperation with the Faculty of Natural and Technical Sciences in Stip have drafted a Study for with Action Plan for further Noise minimization in the vicinity of Usje Cement Factory. In year 2014 significant part of proposed measures were implemented as follows:

- Setting silencers for fan that are outdoors and additionally as needed their enclosure with acoustic panels;
- Setting acoustic louver on ventilation openings at compressor stations and on space that raw mills and cement mills 4, 5 and 6 are located;
- Closing blowers in blending and storage silos and blowers in Packing plant II in acoustic enclosures.
- Maintenance of existing and planting new green areas along perimeter fence of the cement factory

For this Project Ministry of Economy awarded Usje with recognition for the best CSR Practice in the field of environment.

Reduction of NOx Emissions

Pursuing the dedication of TITAN Group to sustainable development, Usje Cement Factory in April 2014 introduced new technology and installed state-of-the-art equipment for reduction of NOx emissions. Chosen method for reduction of NOx emissions in Usje is so-called selective non-catalytic reduction (SNCR) technology. The equipment is designed and installed by the internationally acclaimed manufacturer YARA from Norway. Ammonia solution is used as a reduction agent that meets all strict requirements related to health and safety at work. The introduction of this technology enables further reduction of NOx emissions up to 50%.

7. OTHER INFORMATION

Usje's Management is firmly committed to the continuing integration of new rules and practices into Company operations, which promote transparency, responsibility, reliability, sustainable development and corporate social responsibility in every aspect and field of activity of the Company and its entire web of relationships with shareholders, employees, customers, suppliers, contractors and the society. With respect to this, Usje discloses the following information:

1. Usje has two executive members of the BoD - the Chief Executive Director, and Executive Director, and 5 non-executive members from which 2 are independent.

2. The CED and the Executive Director are not receiving any earnings based on their membership in the BoD. They have a regular working relation (employment) at the position Chief Executive Director and Sales-Administration Manager and their earnings are based on that. The total income (salaries, other contributions, bonuses, insurance and other receipts) of the executive members of the BoD and of the other members of the key personnel of the Company is in amount of 81.887 thousand denars. None of the 5 non-executive members have earnings based on their membership in the BoD.

3. On 29 May 2014 the Shareholders Assembly brought a Decision for distribution of dividend for the year ended 2013 in accordance with the Company Law. The dividend declared was in amount of 467.676 thousand denars and taxed with tax on dividend distribution of 10% i.e. amount of 51.964 thousand denars. Additionally, on 26 September 2014, the Shareholder Assembly brought a Decision for distribution of undistributed profit as of 31 December 2013. The dividend declared was in amount of 2.308.249 thousand denars and taxed with tax on dividend distribution of 10% i.e. amount of 256.472 thousand denars.

4. The sources of the Company's assets are its operating cash flow.

5. The financial results for 2014 are an integral part of the Financial Statements of the Company and the Group as of 31 December 2014.

6. Consequently to the previous, a financial risk management policy was explained in detail in the Note 18 to the Financial Statements of the Company and the Group as of 31 December 2014.

7. In 2014, Usje has an Agreement that becomes subject to pre-approval by the Company's shareholders, based on an independent auditor's report on the interested party transaction. Namely, a revolving loan agreement was concluded on 17 May 2013 between USJE and the related party Titan Cement Netherlands BV ("Titan Netherlands"), within a period of two years (until 17 May 2015) and in value of 30.000 thousand euro. The loan agreement has not been exercised in 2014.

8. During 2014 except for transactions realized in the ordinary course of the business of the company (purchases and sales of products), Usje has no major transactions and transactions with the interested parties (Note 17 to the Financial Statements of the Company and the Group as of 31 December 2014).

9. Usje shares the Titan Group's CSR Vision and CSR Policy, to "conduct its business in an ethical and socially responsible manner doing less harm and endeavoring to do more good."

The CSR Committee of the Company chaired by the Company Chief Executive Director continues its active engagement and it held six general meetings in the course of the year, as planned. The

CSR Committee develops the Company CSR strategy and activity plans, coordinates and monitors the implementation of all CSR activities of the Company. Also, the CSR Committee is the advocate coordinator of the Group's CSR vision and policy.

Following the TITAN Group initiative, Cementarnica Usje has conducted employee opinion survey for the first time. Considering Usje strategy for continuous improvement and focus on our people, the aim of this survey is to improve operations through our people recommendations. The employee opinion survey "Your Opinion Matters" was organized in September 2014 with participation of 248 employees, or about 80% of the total number of employees. The employee opinion survey was conducted by an independent consulting house Towers Watson, taking care about full confidentiality of the process. The results of the survey in the big majority of the questions were highly more positive compared to the general manufacturing results, provided by Towers Watson upon receipt of the survey results an action plan was prepared for improvements in company operations and management.

In 2014 an Internal Audit Section was established in organization. The internal audit of Usje works together with the Group Internal Audit Department aiming to ensure compliance both with our State regulations and Titan Group internal procedures and Code of Conduct. Based on the performed internal audit assignments throughout the year, the conclusion is that in general, the system of internal controls of the audited areas and functions is well designed in order to appropriately manage underlying risks and to ensure the compliance with the statutory framework in force.
Additionally, all agreed corrective actions from the previous audit assignments were fully implemented by the process owners and the internal controls frameworks of the relevant functions have been enhanced.
The half year reports of the Internal Audits are being submitted and approved by the BoD.

"Bribery and Corruption" is also addressed by TITAN's Code of Conduct while the level of exposure to relevant risks is estimated every year through reports and analyses provided by the Transparency International's Annual Corruption Perception Index.

Our Code of Conduct clearly prohibits giving and receiving bribes, while as signatories of the Global Compact we are fully committed to join national and other programs aiming at eliminating bribery and corruption. Moreover, Titan's Procurement Code of Conduct (www.titan.gr,www.usje.com.mk) issued in 2008 is stating what the company policy and commitments are towards its suppliers, and clearly states the contractual obligations of the suppliers including the obligation to abstain from any action that could be interpreted as an act of bribery, corruption and fraud. No verifiable cases of non-compliance and breaches to our bribery policy have been reported in 2014.

Konstantinos Derdemezis

President of the Board of Directors

Contents

GENERAL INFORMATION

Chief Executive Director

Boris Hrisafov

Registered office

Boris Trajkovski 94
1000 Skopje

Solicitors

Lawyer Office Polenak - external lawyer
Lawyer Office Dimitrov - external lawyer

Bankers

Komercijalna Banka AD - Skopje
Stopanska Banka AD - Skopje
Tutunska Banka AD - Skopje
Alfa Banka AD - Skopje
Ohridska Banka AD - Skopje
ProKredit Banka AD - Skopje
Sparkase Banka Makedonija AD - Skopje
Halkbanka AD - Skopje

Auditors

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Building a better working world

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INDEPENDENT AUDITORS' REPORT

To the shareholders of Cementarnica "USJE" AD - Skopje

We have audited the accompanying financial statements of Cementarnica "USJE" AD - Skopje ("the Company") and the consolidated financial statements of Cementarnica "USJE" AD - Skopje and its subsidiaries ("the Group"), which comprise the Company's and the Group's statements of financial position as at 31 December 2014 and the statements of comprehensive income, statements of the changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards accepted in Republic of Macedonia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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working world

Opinion

In our opinion, the Company's financial statements and the Group's consolidated financial statements give true and fair view of the financial position of the Company and of the Group as at 31 December 2014 and the financial performance and cash flows for the Company and for the Group for the year then ended in accordance with accounting standards accepted in Republic of Macedonia.

Report on Other Legal and Regulatory Matters

Management is also responsible for preparation of the annual report in accordance with article 384 of the Macedonian Company Law. Our responsibility in accordance with the Audit Law is to report whether the annual report is consistent with the separate and consolidated annual accounts and audited separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2014. Our work regarding the annual report is performed in accordance with ISA 720 and limited to assessing whether the historical financial information of the annual report is consistent with the separate and consolidated annual accounts and audited separate and consolidated financial statements of the Company and the Group.

The annual report is consistent, in all material respects, with the separate and consolidated annual account and audited separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2014.

Друштво за ревизорски и книговодствен консалтинг и услуги
ЕРНСТ И ЈАНГ -ОВЛАСТЕНИ РЕВИЗОРИ ДОО
СКОПЈЕ

Vladimir Sokolovski
Authorized person by power of attorney

Jasna Dukovska - Jegeni
Certified Auditor

Ernst & Young Certified Auditors Ltd.
Skopje, 02 April 2015

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Notes	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
Sales	3a	3.411.608	3.482.159	3.362.656	3.411.908
Other revenue	3b	711.018	578.930	726.463	605.727
Cost of sales	3c	(2.179.488)	(2.260.649)	(2.171.621)	(2.249.913)
Gross profit		**1.943.138**	**1.800.440**	**1.917.498**	**1.767.722**
Other operating income	3d	37.333	41.992	37.138	41.900
Other operating expenses	3e	(59.279)	(53.310)	(49.328)	(38.430)
Selling and marketing expenses	3f	(23.618)	(27.260)	(22.194)	(25.897)
Administrative expenses	3g	(102.632)	(86.705)	(99.245)	(83.341)
Depreciation	5	(216.313)	(223.255)	(209.305)	(216.171)
Profit from operating activities		**1.578.629**	**1.451.902**	**1.574.564**	**1.445.783**
Finance income	3h	52.329	47.082	52.334	47.085
Finance expense	3h	(2.887)	(4.612)	(2.405)	(4.249)
		49.442	42.470	49.929	42.836
Net profit before income tax		**1.628.071**	**1.494.372**	**1.624.493**	**1.488.619**
Income tax expense	4	(167.332)	(4.530)	(166.915)	(3.932)
Net profit for the year		**1.460.739**	**1.489.842**	**1.457.578**	**1.484.687**
Other comprehensive income		4.578	55.617	4.032	55.325
Total comprehensive income for the period		**1.465.317**	**1.545.459**	**1.461.610**	**1.540.012**

	2014	2013
Net profit for the year attributable to:		
Equity holders of the ultimate parent	1.459.651	1.488.032
Non-controlling interest	1.088	1.810
	1.460.739	**1.489.842**
Earnings per share (Note 16) Basic, profit for the year attributable to ordinary equity holders of the ultimate parent	2,59	2,64
Total comprehensive income for the year attributable to:		
Equity holders of the ultimate parent	1.464.034	1.543.587
Non-controlling interest	1.283	1.872
	1.465.317	**1.545.459**

56

STATEMENT OF FINANCIAL POSITION
at 31 December 2014

	Note	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	2.404.387	2.342.789	2.273.230	2.204.595
Intangible assets		4.034	4.034	-	-
Investment properties	6	124.111	115.323	124.111	115.323
Investments in subsidiaries		-	-	157.921	157.921
Exploration and evaluation assets	7	22.617	20.935	22.617	20.935
		2.555.149	**2.483.081**	**2.577.879**	**2.498.774**
Current assets					
Inventories	8	654.239	602.538	651.987	601.867
Trade and other receivables	9	439.721	365.989	369.413	304.874
Income tax receivable		2.171	6.473	813	4.707
Cash and cash equivalents	10	873.552	2.550.658	860.323	2.539.582
		1.969.683	**3.525.658**	**1.882.536**	**3.451.030**
TOTAL ASSETS		**4.524.832**	**6.008.739**	**4.460.415**	**5.949.804**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	1.747.730	1.747.730	1.747.730	1.747.730
Other reserves	12	683.200	678.817	677.529	673.497
Retained earnings		1.456.169	3.080.879	1.457.578	3.084.361
		3.887.099	**5.507.426**	**3.882.837**	**5.505.588**
Non-controlling interest		57.778	56.495	-	-
Total equity		**3.944.877**	**5.563.921**	**3.882.837**	**5.505.588**
Non-current liabilities					
Provision for retirement benefits	13	54.190	56.272	54.190	56.272
Provision for rehabilitation of quarries		8.088	10.413	8.088	10.413
		62.278	**66.685**	**62.278**	**66.685**
Current liabilities					
Trade and other payables	14	345.658	369.239	343.281	368.642
Current portion of retirement benefit obligations	13	6.488	8.849	6.488	8.849
Income tax payable		163.020	5	163.020	-
Dividend payable		2.511	40	2.511	40
		517.677	**378.133**	**515.300**	**377.531**
TOTAL EQUITY AND LIABILITIES		**4.524.832**	**6.008.739**	**4.460.415**	**5.949.804**

Authorized on behalf of the Board of Directors on 25 February 2015:

Boris Hrisafov — Chief Executive Director

Olivera Vasilkovska — Finance Manager

Цементарница "УСЈЕ" АД Скопје

STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	Note	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
Cash flow from operating activities					
Net profit before income taxes		**1.628.071**	**1.494.372**	**1.624.493**	**1.488.619**
Adjustments for:					
(Gain) on disposal of PP&E		-	(2.591)	-	(2.591)
Depreciation of PPE and investment properties		216.314	223.255	209.305	216.171
Actuarial losses		2.966	8.706	2.996	8.706
Interest income		(49.914)	(46.857)	(49.910)	(46.850)
Write off obsolete inventory		6.902	-	6.902	-
Interest expense		2.887	4.612	2.405	4.249
Fair value (gain)/losses, net		(4.756)	-	(4.756)	-
Write off trade receivables		766	87	212	87
Inventory shortage		263	17	263	17
NBV of tangible assets written off		1.522	2.283	1.522	2.283
Operating profit before working capital changes		**1.805.051**	**1.683.884**	**1.793.432**	**1.670.691**
(Increase) / Decrease in trade and other receivables		(75.877)	7.733	(64.751)	46.282
(Increase) / Decrease in inventories		(58.775)	108.002	(57.285)	108.501
(Decrease) in trade and other payables		(24.571)	(86.682)	(27.990)	(84.427)
Cash generated from operations		**1.645.828**	**1.712.937**	**1.643.406**	**1.741.047**
Interest expense and bank charges paid		(2.887)	(4.612)	(2.405)	(4.249)
Income tax paid		(4.312)	(4.529)	(3.895)	(3.932)
Net cash flows generated from operations		**1.638.629**	**1.703.796**	**1.637.106**	**1.732.866**
Cash flows from investing activities					
Purchase of PP&E		(282.703)	(296.334)	(282.703)	(296.334)
Expenditures for exploration and evaluation assets		(1.682)	(468)	(1.682)	(468)
Proceeds from sale of PP&E		-	2.591	-	2.591
Interest income received		49.914	46.857	49.910	46.850
Net cash flows (used in) investing activities		**(234.471)**	**(247.354)**	**(234.475)**	**(247.361)**
Cash flows from financing activities					
Dividends paid to group shareholders		(2.632.561)	(396.075)	(2.632.561)	(396.075)
Dividends paid to minority shareholders		(140.893)	(21.569)	(140.893)	(21.569)
Tax on dividend		(308.436)	(46.404)	(308.436)	(46.404)
Net cash flows (used in) financing activities		**(3.081.890)**	**(464.048)**	**(3.081.890)**	**(464.048)**
Net increase in cash and cash equivalents		(1.677.732)	992.394	(1.679.259)	1.021.457
Net foreign exchange differences		626	296	-	-
Cash and cash equivalents at 1 January		2.550.658	1.557.968	2.539.582	1.518.125
Cash and cash equivalents at 31 December	10	**873.552**	**2.550.658**	**860.323**	**2.539.582**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Share capital	*Other reserves (Note 12)*	*Retained earnings*	*Total*	*Non-controlling interest*	*Total equity*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January 2014	**1.747.730**	**678.817**	**3.080.879**	**5.507.426**	**56.495**	**5.563.921**
Profit for the year	-	-	1.459.651	1.459.651	1.088	1.460.739
Other comprehensive income (Note 6)	-	4.032	-	4.032	-	4.032
Other comprehensive income (translation differences)	-	351	-	351	195	546
Total comrehensive income	**-**	**4.383**	**1.459.651**	**1.464.034**	**1.283**	**1.465.317**
Dividends declared, net	-	-	(2.775.925)	(2.775.925)	-	(2.775.925)
Tax on dividend	-	-	(308.436)	(308.436)	-	(308.436)
At 31 December 2014	**1.747.730**	**683.200**	**1.456.169**	**3.887.099**	**57.778**	**3.944.877**

For the year ended 31 December 2013

	Share capital	*Other reserves (Note 12)*	*Retained earnings*	*Total*	*Non-controlling interest*	*Total equity*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January 2013	**1.747.730**	**623.262**	**2.056.895**	**4.427.887**	**54.623**	**4.482.510**
Profit for the year	-	-	1.488.032	1.488.032	1.810	1.489.842
Other comprehensive income (Note 6)	-	55.325	-	55.325	-	55.325
Other comprehensive income (translation differences)	-	230	-	230	62	292
Total comrehensive income	**-**	**55.555**	**1.488.032**	**1.543.587**	**1.872**	**1.545.459**
Dividends declared, net	-	-	(417.644)	(417.644)	-	(417.644)
Tax on dividend	-	-	(46.404)	(46.404)	-	(46.404)
At 31 December 2013	**1.747.730**	**678.817**	**3.080.879**	**5.507.426**	**56.495**	**5.563.921**

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COMPANY'S STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Share capital MKD'000	*Retained earnings MKD'000*	*Other Reserves MKD'000*	*Total MKD'000*
At 1 January 2014	**1.747.730**	**3.084.361**	**673.497**	**5.505.588**
Profit for the year	-	1.457.578	-	1.457.578
Other comprehensive income (See note 6)	-	-	4.032	4.032
Total comprehensive income	-	1.457.578	4.032	1.461.610
Dividends, net	-	(2.775.925)	-	(2.775.925)
Tax on dividend	-	(308.436)	-	(308.436)
At 31 December 2014	**1.747.730**	**1.457.578**	**677.529**	**3.882.837**

On 29 May 2014 the Shareholders Assembly brought a Decision for distribution of dividend for the year ended 2013 in accordance with the Company Law. The dividend declared was in amount of MKD 467.676 thousand and taxed with tax on dividend distribution of 10% i.e. amount of MKD 51.964 thousand. Additionally, on 26 September 2014, the Shareholder Assembly brought a Decision for distribution of undistributed profit as of 31 December 2013. The dividend declared was in amount of MKD 2.308.249 thousand and taxed with tax on dividend distribution of 10% i.e. amount of MKD 256.472 thousand.

For the year ended 31 December 2013

	Share capital MKD'000	*Retained earnings MKD'000*	*Other reserves MKD'000*	*Total MKD'000*
At 1 January 2013	**1.747.730**	**2.063.722**	**618.172**	**4.429.624**
Profit for the year	-	1.484.687	-	1.484.687
Other comprehensive income (See note 6)	-	-	55.325	55.325
Total comprehensive income	-	**1.484.687**	**55.325**	**1.540.012**
Dividends, net	-	(417.644)	-	(417.644)
Tax on dividend	-	(46.404)	-	(46.404)
At 31 December 2013	**1.747.730**	**3.084.361**	**673.497**	**5.505.588**

95

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2014

Legal reserves

On 13 May 2013, the Board of Directors brought a Decision for changes in the Statute of the group, related with the Legal reserves regulated by the Company Law in order to be reconciled with the local Company Law who has suffered changes starting from 1 January 2013.

Namely, the percentage that is required to be allocated to these reserves has been decreased from at least 15% of the annual net profit to at least 5% until the balance of the reserves reaches 10% of the Company's share capital instead 20% as it was previous. The amount that exceeds 10% of the share capital could be used for dividend distribution based on decision of the shareholders assembly.

Therefore, the statutory reserves as of 31 December 2013 in amount of MKD 349.621 thousand comprise two amounts. Statutory reserves in amount of MKD 174.773 thousand can be used only for covering losses if the balance does not exceed 10% of the Company's share capital. The amount of MKD 174.848 thousand that exceed the prescribed limit (exceed 10% of the share capital) could be used for dividend distribution based on decision of the shareholders assembly.

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NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2014

1. Corporate information

Cementarnica "Usje" A.D. - Skopje ("the Company") is incorporated in the Republic of Macedonia with the registered address at Boris Trajkovski 94, Skopje.

The Company's main activity is production and trade with cement, masonry cement, ready mix concrete, clinker and other related products. The main activity of the subsidiaries in Kosovo and Bulgaria is support services for sale of cement on Kosovo and Bulgarian market.

The Company is controlled by Titan Cement Netherlands B.V. registered in Netherlands, which has 94,84% shareholding in the Company. The Company's ultimate parent is Titan Cement Company S.A. - Greece.

Officially starting from 1 July 2013, Cementarnica USJE AD Skopje has become a listed company on the Macedonian Stock Exchange (under the sub-segment for mandatory listing). In order not to be created a false picture on the Stock Exchange, the listed companies has continuing obligations to publish all price sensitive information, information necessary for evaluating the current company's condition.

The number of employees of the Company as of 31 December 2014 was 306 (2013: 324 employees). The number of employees of the Group as of 31 December 2014 was 314 (2013: 331 employees).
The Company and the Group financial statements for the year ended 31 December 2014 have been approved for issue by the Board of Directors on 25 February 2015.

2.1 Basis of preparation

The consolidated financial statements of Cementarnica "Usje" A.D.- Skopje and its subsidiaries ("the Group") and the financial statements of the Company have been prepared in accordance with the Company Law (Official Gazette of Republic of Macedonia 28/04 with amendments 84/05, 25/07, 87/08, 42/10, 48/10, 24/11, 166/12, 70/2013, 119/2013, 120/2013, 187/2013, 38/14, 41/14 and 138/14) and Accounting Principles applicable in the Republic of Macedonia ("Macedonian GAAP"), which are in accordance to the Rulebook of Accounting published on 29 December 2009 (Official Gazette of Republic of Macedonia 159/09, 164/10 and 107/2011) effective from 1 January 2010. This Rulebook comprise the basic text of IFRS's including SIC's and IFRIC's as issued by IASB at 1 January 2009.

In the period as of 31 December 2009 applicable standards were the International Accounting Standards published in Official Gazette of Republic of Macedonia which comprise the following:

- The revisions of International Accounting Standards, IAS 1 to IAS 39 were published on 30 December 2004, previously effective as of 5 November 1999. The effective date for all revised standards is January 1, 2005. In addition, International Accounting Standards, IAS 40 and IAS 41 were published with the effective date 1 January 2005.
- On 10 February 2005 International Financial Reporting Standard 1 was published. The effective date was set to 17 February 2005.
- On 29 December 2005 International Financial Reporting Standards, IFRS 2 to IFRS 7 were published. The effective date was set to 30 December 2005.

The Group's consolidated financial statements and the Company's financial statements have been prepared on a historical cost basis, except for the investment property that have been measured at fair value. The consolidated financial statements and the Company's financial statements are presented in Macedonian Denars ("MKD") and all values are rounded to the nearest thousands ('000) except when otherwise indicated.

2.1 Basis of preparation (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its three subsidiaries: Cement Plus for building materials DOO incorporated in Kosovo with 65% holding, RUDMAK DOOEL export-import Skopje with 100% holding and TROJAN CEM EOOD Bulgaria with 100% holding. The financial statements of the consolidated subsidiaries are prepared for the same reporting year as the ultimate parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The non-controlling interest represents the portion of the profit or loss and the net assets not held by the Group and is presented separately in the consolidated statement of comprehensive income and within the equity in the consolidated statement of financial position, separately from shareholder's equity of the ultimate parent company.

2.2 Summary of significant accounting policies

a. Foreign currency translation

The Group and the Company prepare the financial statements in Macedonian denars, which is the Group's and the Company's functional currency and the presentation currency for local statutory purposes. Each entity in the Group determines its own functional currency and items included in the financial statements in each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

The functional currency of the domestic operations, RUDMAK DOOEL export-import Skopje is the Macedonian denars. The functional currency of the foreign operations, Cement Plus for Building Materials - Kosovo and Trojan Cem Eood - Bulgaria is the Euro. As of each reporting date, the assets and liabilities of this subsidiary are translated through conversion in euro into the presentation currency of Cementarnica "USJE" AD (the Macedonian Denars) at the rate of exchange ruling at the reporting date (2014: MKD 61,4814 for Euro 1; 2013: MKD 61,5113 for Euro 1) and, its profit or loss is translated at the weighted average exchange rate for the year (2014: MKD 61,6324 for Euro 1; 2013: MKD 61,5647 for Euro 1). The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statement of profit or loss.

b. Investment in subsidiary

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

35

2.2 Summary of significant accounting policies (continued)

b. Investment in subsidiary (continued)

The cost of an acquisition is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. In the stand alone financial statements of the Company, investment in subsidiaries is presented at cost less any impairment in value. Distributions received in excess of accumulated profits from the investor are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

c. Property, plant and equipment

Property, plant and equipment is stated as follows:

- those assets acquired up to 31 December 1998, the revaluation under the previous GAAP at the date of transition of the Group to IFRS (1 January 2004) was accepted as deemed cost since the revaluation was broadly comparable to depreciated cost under IFRS adjusted to reflect changes in general price index.

- those assets acquired after 31 December 1998 are stated at historical cost less accumulated depreciation and any subsequent accumulated impairment loss.

Additions are recorded at cost. Cost represents the prices by suppliers together with all costs incurred in bringing new property, plant and equipment into use.

Items of property, plant and equipment that are retired or otherwise disposed of are eliminated from the statement of financial position, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation of property, plant and equipment, with exception of quarries, is designed to write off the cost or valuation of property, plant and equipment on the straight-line basis over their estimated useful lives. The principal depreciation rates in use are:

Buildings	2,5 -10%
Equipment	5 - 25%

Land is stated in the statement of financial position at cost less impairment and is not depreciated as it is deemed to have an infinite life, except quarries which are depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit of - production method.

The asset's methods of depreciation, useful lives and residual values are reviewed at each reporting date.

d. Investment property

Investment property, comprising of land, production premises with business offices and construction object - restaurant and cafeteria room, is held for long-term rental yields and is not occupied by the Group.

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2.2 Summary of significant accounting policies (continued)

d. Investment property (continued)

The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by independent valuer using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the cost for subsequent accounting is the fair value at the date of change in use.

If owner-occupied property becomes an investment property, the Group's accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value is treated in the same way as a revaluation in accordance with IAS 16.

e. Exploration and evaluation assets

Exploration and evaluation expenditure for each area of interest (geographically specific to the concession, permit or mining license granted) is carried forward as an asset if a decision has been made that a mining operation is economically feasible and can be developed for commercial production. At the end of the reporting period, these costs include costs of acquisition of rights to explore. All other exploration and evaluation expenditures are charged to the profit or loss as incurred.

Administrative and general expenses relating to exploration and evaluation activities are expensed as incurred.

f. Financial instruments - initial recognition and subsequent measurement

<u>(i) Financial assets</u>

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2.2 Summary of significant accounting policies (continued)

(i) Financial assets (continued)

The Group's financial assets include cash and short-term deposits, trade and other receivables, and short term loans.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement. The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are measured at amortized cost using the effective interest rate method (EIR). The gains and losses are recognized in the income statement in the moment when the loans and receivables are reversed or when the value is decreased due to impairment, and through the amortization process.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to maturity when the Group has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method. This method use effective interest rate which accurately discounts the estimated future cash follows thought the use full life of the financial asset to net financial value of the financial asset. The gains and losses are recognized in the income statement in the moment when the investments are reversed or when the value is decreased due to impairment, and through the amortization process.

The Group did not have any investments held to maternity during the period ended 31 December 2014 and the year ended 31 December 2013.

Available-for-sale financial investments
Available-for-sale financial investments are non derivative financial assets which are determinate as available for sales or aren't classified in the previous three categories. After initial measurement, available-for-sale financial investments are measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative gain or loss is reclassified to the statement of profit or loss.

2.2 Summary of significant accounting policies (continued)

(i) Financial assets (continued)

The Group did not have any available-for-sale financial investments during the period ended 31 December 2014 and the year ended 31 December 2013.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

An impairment loss in respect of financial assets measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

(ii) Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

2.2 Summary of significant accounting policies (continued)

<u>(ii) Financial liabilities (continued)</u>

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Gains or losses on liabilities held for trading are recognized in profit or loss.

The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the amortization process.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

g. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads, excluding distribution costs and administrative expenses. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Tools and consumable stores are written-off 100% when consumed.

h. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in banks and deposits held with banks with original maturities of up to three months or less.

2.2 Summary of significant accounting policies (continued)

i. Share capital

Ordinary shares are classified as equity.

j. Taxation

The tax expense for the period comprises current and deferred tax.

Current income tax

Current income tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. 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.

At the end of 2014 an old tax regime has been enforced and become applicable for calculation of income tax for 2014. The computation and payment of the income tax is in accordance with the new Income Tax Law. The payment of the monthly tax is in advance. The final tax with tax rate of 10% is calculated on the profit from the income statement, corrected for certain positions in accordance with the legislation.

As at 31 December 2013, the income tax expense comprised the current income tax on: non-deductible items and taxes on dividend distribution and was measured and recognized as follows:

Taxes on non-deductible items

The calculation and payment of the current income tax was in accordance with the Income Tax Law which include the model for taxation whose tax base are the specified non-deductible expenses, adjusted for tax credits and tax exemptions. The payment of the monthly tax was in advance only on the unrecognised expenses.

Taxes on dividend distribution and other distributions of profit

The amount which is distributed as dividends and other types of profit distributions, in monetary or non-monetary form, was taxed at the moment of payment.

The tax rate for both 2014 and 2013 is 10%.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

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2.2 Summary of significant accounting policies (continued)

j. Taxation (continued)

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of the goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognized only to the extent that is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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2.2 Summary of significant accounting policies (continued)

j. Taxation (continued)

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax except:
- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the assets or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables and payables in the reporting date.

k. Employee benefits

Pension obligations

The Group, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated according to the statutory rates in force during the year, based on gross salaries and wages. The Group makes these contributions to the Government's health and retirement funds. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Group does not operate any other pension scheme or post retirement benefits plan and consequently, has no obligation in respect of pensions.

Termination and retirement benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Pursuant to the Group's signed collective bargaining agreements the Group is obligated to pay retirement benefits in an amount equal to six average republic salaries and between one and three average republic salaries to be paid out as a jubilee anniversary award. The number of average republic salaries for jubilee anniversary awards corresponds to the total number of years of service of the employee as presented in the table below:

Total number of Service Years	*Number of Wages*
10	1
20	3
30	3
35 (women)	3
40 (men)	3

2.2 Summary of significant accounting policies (continued)

k. Employee benefits (continued)

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the discount rate of the Central Bank of Republic of Macedonia due to the absence of the market of high quality corporate bond or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Employee's children scholarships

Starting from 31 December 2009, included in the actuarial calculation of the defined benefits are allowances for scholarships of Group employees children attending graduate or post graduate studies and for diseased employee children that are attending secondary school.

Additional benefits at retirement

Starting from 31 December 2013, the actuarial calculation of defined benefits has been supplement with calculation of the present value of the newly introduced long term benefit for certain category of employees - additional benefits at retirement. The calculation is made on the basis of the average parameters of the mentioned population and total expected amount for payment, delivered by the enterprise.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income or expense in the period in which they arise.

l. Provisions

Provisions are recognised and calculated when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The provisions comprise of provision for retirement benefits and provision for rehabilitation of quarries. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to time values is recognized as interest expense.

m. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty. The following specific criteria must also be met before revenue is recognized:

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2.2 Summary of significant accounting policies (continued)

m. Revenue recognition (continued)

Sales of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, usually on delivery of the goods.

Rendering of services

Fees from services provided are recognized over the period in which the services are rendered and accepted by the buyer.

Interest income

The interest relates to time deposit are accounted for at the expired date of time deposit.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

n. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss on a straight-line basis over the period of the lease.

o. Dividends distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders.

p. Events after the reporting period

Events after the reporting period, which provide evidence of conditions that exist as of the reporting date, are treated as adjustable events in these financial statements. Those that are indicative of conditions that arose after the reporting date have been treated as non-adjustable events.

q. Financial risk management

Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

2.2 Summary of significant accounting policies (continued)

q. Financial risk management (continued)

Provisions for environmental restoration

Companies that operate quarries and processing sites are required to restore these quarries and processing sites at the end of their producing lives to a condition that is in line with the prevailing environmental legislation of the country in which the Group operates (to restore the land within 3 years after the closure of the mine site), to the level acceptable to the relevant authorities and to the level that is consistent with the Group's environmental policies and practices.

The provision for environmental restoration reflects the present value of the expected future restoration costs that are expected to be incurred for the areas that have been disturbed at the reporting date. The provision is determined as present value of expected future cash outflows to be incurred for sites rehabilitation. This includes determination of the amount based on rehabilitation project, discount rate and expected inflation rates. The provision is re-measured at every reporting date and is adjusted to reflect the present value of the future expenses required to fulfil the obligation.

The present value of estimated restoration costs (that is, original estimation as well as changes in the accounting estimates) are charged to the income statement unless they relate to property, plant and equipment that is on the site, in which case the costs are included within property, plant and equipment and depreciated over the useful life of the related item of property, plant and equipment.

Any change in the net present value of the environmental provision due to the passing of time is included in finance costs in profit or loss.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the discount rate of the Central Bank of Republic of Macedonia due to the absence of the market of high quality corporate bond or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market.

Fair value of financial instruments

The nominal value less estimated loss due to impairment of assets and payables with maternity less than one year is approximate their fair value.

2.2 Summary of significant accounting policies (continued)

r. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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3. Revenue and expenses

a. Sales

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Gross sales				
Domestic market	3.390.395	3.426.776	2.863.017	2.833.591
Foreign market	21.213	55.383	499.639	578.317
	3.411.608	**3.482.159**	**3.362.656**	**3.411.908**
Domestic market				
Income from cement	3.122.873	3.178.233	2.595.674	2.585.048
Income from RMC	82.256	70.592	82.256	70.592
Income from resale of goods	52.550	48.895	52.550	48.895
Income from limestone	12.393	27.398	12.393	27.398
Income from sand	1.067	-	888	-
Income from use of own products	119.256	101.658	119.256	101.658
	3.390.395	**3.426.776**	**2.863.017**	**2.833.591**
Foreign market				
Income from cement	9.337	4.456	487.630	527.213
Income from clinker	-	34.956	-	34.956
Income from resale of goods	11.876	15.971	11.876	15.971
Income from sand	-	-	133	177
	21.213	**55.383**	**499.639**	**578.317**

b. Other revenues

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Pet coke	513.739	492.542	513.739	492.542
Pet coke - domestic market	141.160	39.636	141.160	39.636
Transport of cement - intercompany	-	7.703	15.445	36.234
Third part transportation	51.706	32.165	51.706	32.165
Services	3.581	3.760	3.581	3.760
Excise duty	-	1.503	-	-
Income from use of own products	436	57	436	57
Sand	-	1.125	-	894
Additives	396	439	396	439
	711.018	**578.930**	**726.463**	**605.727**

3. Revenues and expenses (continued)

c. Cost of sales

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Transportation services	**60.064**	**63.897**	**60.064**	**63.714**
Variable costs				
Kiln fuel	367.162	428.345	367.162	428.345
Electricity	217.854	263.596	217.329	262.923
Raw materials	112.993	155.042	112.993	155.042
Other variable cost	94.356	109.334	94.356	109.334
Additives	26.543	18.756	26.543	18.756
Refractory	19.478	17.430	19.478	17.430
Grinding media	6.554	7.922	6.554	7.922
Fuel & oil	1.110	7.129	1.070	6.756
Total variable costs	**846.050**	**1.007.554**	**845.485**	**1.006.508**
Fixed costs				
Salaries & other benefits	262.479	265.453	260.981	264.001
Third parties fees - contract labour	57.421	48.163	57.124	48.114
Spare parts and consumables	52.164	47.434	51.643	47.357
Other plant utilities	26.778	33.306	26.764	33.289
Other fixed costs	43.936	35.781	43.397	35.149
Lining	5.122	6.765	5.122	6.765
Insurance premium	5.470	6.464	5.470	6.384
IT & Telecoms	2.064	2.505	2.064	2.505
Car related expenses	2.519	2.566	2.519	2.566
Travel expenses	3.256	2.189	3.214	2.144
Total fixed costs	**461.209**	**450.626**	**458.298**	**448.274**
Inventory change	(13.400)	(10.765)	(13.400)	(10.765)
Packing expenses	150.046	165.554	150.046	165.554
Own products	116.747	101.059	116.747	101.059
Costs of traded goods	558.772	482.724	554.381	475.569
	2.179.488	**2.260.649**	**2.171.621**	**2.249.913**

3. Revenues and expenses (continued)

d. Other operating income

	Consolidated		Company	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Rent income	17.928	15.894	17.835	15.802
Retention of paid salaries based on the Supreme court's decision	-	5.670	-	5.670
Fair value gain from investment properties	5.102	5.101	5.102	5.101
Gain from disposed fixed assets	-	3.086	-	3.086
Actuarial gains and reversal of unused provision	4.219	2.511	4.219	2.511
Scrap	3.494	2.294	3.494	2.294
Income from re-exported equipment	1.515	1.510	1.515	1.510
Write off - trade creditors	-	1.183	-	1.183
Turnover discount for bags	-	1.060	-	1.060
Revenues from sold fixed assets	-	617	-	617
Income from other services	344	368	344	368
Collected damages from insurance companies	-	354	-	354
Revenues from sold materials	2.696	284	2.696	284
Other income	2.035	2.060	1.933	2.060
	37.333	**41.992**	**37.138**	**41.900**

Rent income in amount of MKD 17.928 thousand (2013: MKD 15.894 thousand) consist of rented business premises space together with the re-invoiced utilities in amount of MKD 14.085 thousand (2013: MKD 12.722 thousand) all to third parties and RMC pump, silo trucks and oil tanks in amount of MKD 3.843 thousand (2013: MKD 3.172 thousand).

Fair value gain in amount of MKD 5.102 thousand (2013: MKD 5.101 thousand) relates to fair value re-measurement of the Investment property (See Note 6) as of 31 December 2014 recognised in the Company's and Group's profit and loss.

The actuarial gains and reversal of unused provision for employee's benefits in amount of MKD 4.219 thousand (2013: MKD 2.511 thousand) relates to changes in actuarial assumptions calculated annually by independent actuaries using the projected unit credit method (See Note 13).

3. Revenues and expenses (continued)

e. Other operating expenses

	Consolidated		*Company*	
	2014 MKD'000	*2013 MKD'000*	*2014 MKD'000*	*2013 MKD'000*
Actuarial losses and provision	7.215	11.217	7.215	11.217
Staff leaving indemnities (including VELP)	15.700	5.310	15.700	5.310
Business premises costs	5.360	4.839	5.360	4.839
Fair value measurement of investment properties	346	4.192	346	4.192
Paid salaries based on the Supreme court's decision	-	3.005	-	3.005
Net book value of disposed fixed assets	1.515	2.127	1.515	2.127
Other non-mentioned expenses	1.345	1.492	1.345	1.492
Promotion and advertisement	1.893	1.407	1.893	1.407
Compensation for vehicles at a standstill	-	1.241	-	1.241
Correction of accrued income for pallets	-	1.040	-	1.040
Rebates and discounts	12.372	15.617	4.623	873
Capital loss from sale of fixed assets	-	495	-	495
Withholding tax	6	155	6	155
Cost of sold materials	3.376	89	3.376	89
Write off bad and doubtful debts	766	87	212	87
Shortage of goods in warehouse	263	9	263	9
Write off obsolete inventory	6.902	8	6.902	8
Penalties for non-fulfilment of obligations	129	-	129	-
Other expenses	2.091	980	443	844
	59.279	**53.310**	**49.328**	**38.430**

The amount of MKD 7.215 thousand (2013: MKD 11.217 thousand) represents actuarial losses, additional finance costs and current service costs related to employees benefits which arise from experience adjustments and changes in actuarial assumptions calculated annually by independent actuaries using the projected unit credit (see Note 13).

Staff leaving indemnities (including VELP) in amount of MKD 15.700 thousand relates to 21 employees who applied for the voluntary leaved scheme.

Business premises costs in amount of MKD 5.360 thousand (2013: MKD 4.839 thousand) consist of MKD 4.881 thousand (2013: MKD 3.999 thousand) related to re-invoiced utilities from rented Property, Plant and Equipment and MKD 479 thousand (2013: MKD 840 thousand) related to water fee for the Cementarnica USJE's football club.

Fair value losses in amount of MKD 346 thousands relates to fair value re-measurement of the Investment property (See Note 6) as of 31 December 2014 recognised in the Company's and Group's profit and loss (2013: 4.192 thousand).

Provision for obsolete inventory of MKD 6.902 thousand is made based on regular annual inventory count and refers to write-off of aged and unused spare parts.

3. Revenues and expenses (continued)

f. Selling and marketing expenses

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Salaries and related expenses	17.752	20.822	16.387	19.534
Car maintenance and related expenses	1.952	1.978	1.952	1.978
Electricity and other expenses	1.523	1.752	1.523	1.752
Promotion, advertisement and entertainment	1.101	1.165	1.101	1.165
IT services and related expenses	615	854	615	854
Travel expenses	174	112	174	112
Other expenses	501	577	442	502
	23.618	**27.260**	**22.194**	**25.897**

g. Administrative expenses

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Salaries and related expenses	46.639	44.331	44.458	42.411
Technical fee and other fees	31.141	16.190	30.361	15.411
Promotion, advertisement, donations and sponsorship	9.691	10.755	9.691	10.755
Electricity and other expenses	3.680	3.695	3.436	3.262
Car maintenance and related expenses	3.479	3.627	3.479	3.627
IT services and related expenses	1.613	1.429	1.461	1.277
Travel expenses	2.246	1.944	2.246	1.944
Other expenses	4.143	4.734	4.113	4.654
	102.632	**86.705**	**99.245**	**83.341**

h. Net Finance income

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Interest income	49.914	46.857	49.910	46.850
Bank charges	(2.870)	(2.665)	(2.388)	(2.302)
Net foreign exchange gains, net	2.415	225	2.424	235
Interest expense	(17)	(1.947)	(17)	(1.947)
	49.442	**42.470**	**49.929**	**42.836**

The interest income in amount of MKD 49.914 thousand (2013: MKD 46.857 thousand) relates to received and calculated interest related to the time deposits in the banks and current operations.

4. Income tax expense

The income tax expense comprises of:

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Current Income tax	166.915	-	166.915	-
Tax on non-deductible expenses	-	3.932	-	3.932
Other income tax expense	417	598	-	-
	167.332	**4.530**	**166.915**	**3.932**

As of 31 December 2013, the tax on non-deductible expenses is as follows:

Consolidated and the Company

	31 December 2013
Tax on non-deductible expenses:	*MKD'000*
Other compensations to the employees	2.242
Expenses not related to the main activities	479
Scholarship	458
Entertainment	420
Penalties and withholding tax	211
Sponsorship and donations	109
Provision for bad debts	8
Other	5
	3.932

For 2014, the tax on non-deductible expenses is as follows:

Consolidated and the Company	*2014* *MKD'000*
Net profit before income tax	1.624.493
At statutory income tax rate of 10%	162.449
Tax on non-deductible expenses:	*4.466*
Other compensations to the employees	2.208
Expenses not related to the main activities	249
Entertainment	497
Penalties and WHT	16
Sponsorship and donations	267
Scholarship	490
Provision for bad debts	22
Other	717
	166.915

In addition, the Group has income tax expenses which arise from its subsidiary, Cement Plus for Building Materials Kosovo and Trojan Cem Eood Bulgaria in amount of MKD 417 thousand for 2014 and 598 thousand for 2013.

5. Property, plant and equipment

The Group 31 December 2014	*Land and Buildings* *MKD'000*	*Equipment* *MKD'000*	*Construction in progress* *MKD'000*	*Total* *MKD'000*
Cost				
At 1 January 2014	**3.306.069**	**4.497.171**	**294.149**	**8.097.389**
Additions	48.575	4.984	225.903	279.463
Transfers from CIP	26.665	264.070	(290.735)	-
Transfer to investment property	(332)	-	-	(332)
Translation differences	(52)	(24)	-	(76)
Disposals	-	(10.352)	-	(10.352)
At 31 December 2014	**3.380.925**	**4.755.849**	**229.317**	**8.366.091**
Depreciation				
At 1 January 2014	**2.095.873**	**3.658.727**	**-**	**5.754.600**
Charge for the period	26.691	189.622	-	216.313
Transfer to investment property	(332)	-	-	(332)
Translation differences	(16)	(31)	-	(47)
Disposals	-	(8.830)	-	(8.830)
At 31 December 2014	**2.122.216**	**3.839.488**	**-**	**5.961.704**
Net book value at 31 December 2014	**1.258.709**	**916.361**	**229.317**	**2.404.387**

The Net Book value of PPE of the Group at 31 December 2014 consists of land, buildings and equipment owned by Cement Plus for Building Materials DOO Kosovo in amount of MKD 86.253 thousand, land owned by Rudmak DOOEL Skopje in amount of MKD 44.904 thousand and PPE owned by the Company presented in table below.

The Company 31 December 2014	*Land and Buildings* *MKD'000*	*Equipment* *MKD'000*	*Construction in progress* *MKD'000*	*Total* *MKD'000*
Cost				
At 1 January 2014	**3.156.989**	**4.445.715**	**294.149**	**7.896.853**
Additions	48.575	4.984	225.903	279.462
Transfers from CIP	26.665	264.070	(290.735)	-
Transfer to investment property	(332)	-	-	(332)
Disposals and write offs	-	(10.352)	-	(10.352)
At 31 December 2014	**3.231.897**	**4.704.417**	**229.317**	**8.165.631**
Depreciation				
At 1 January 2014	**2.073.503**	**3.618.755**	**-**	**5.692.258**
Charge for the period	24.526	184.779	-	209.305
Transfer to investment property	(332)	-	-	(332)
Disposals and write offs	-	(8.830)	-	(8.830)
At 31 December 2014	**2.097.697**	**3.794.704**	**-**	**5.892.401**
Net book value at 31 December 2014	**1.134.200**	**909.713**	**229.317**	**2.273.230**

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5. Property, plant and equipment (continued)

The Group **31 December 2013**	*Land and Buildings MKD'000*	*Equipment MKD'000*	*Construction in progress MKD'000*	*Total MKD'000*
Cost				
At 1 January 2013	**3.201.888**	**4.444.765**	**219.280**	**7.865.933**
Additions	31.053	-	264.870	295.923
Transfers from CIP	44.190	145.811	(190.001)	-
Transfer to investment property	(2.657)	-	-	(2.657)
Transfer from investment property	7.309	-		7.309
Transfer from investment property	24.271	-	-	24.271
Translation differences	15	8	-	23
Disposals	-	(93.413)	-	(93.413)
At 31 December 2013	**3.306.069**	**4.497.171**	**294.149**	**8.097.389**
Depreciation				
At 1 January 2013	**2.062.890**	**3.552.400**	-	**5.615.290**
Charge for the period	25.674	196.960	-	222.634
Transfer from investment property	7.309	-	-	7.309
Translation differences	-	(1)	-	(1)
Disposals	-	(90.632)	-	(90.632)
At 31 December 2013	**2.095.873**	**3.658.727**	-	**5.754.600**
Net book value at 31 December 2013	**1.210.196**	**838.444**	**294.149**	**2.342.789**

The Company **31 December 2013**	*Land and Buildings MKD'000*	*Equipment MKD'000*	*Construction in progress MKD'000*	*Total MKD'000*
Cost				
At 1 January 2013	**3.052.823**	**4.393.317**	**219.280**	**7.665.420**
Additions	31.053	-	264.870	295.923
Transfers from CIP	44.190	145.811	(190.001)	-
Transfer to investment property	(2.657)	-	-	(2.657)
Transfer from investment property	7.309	-	-	7.309
Transfer from investment property	24.271	-	-	24.271
Disposals and write offs	-	(93.413)	-	(93.413)
At 31 December 2013	**3.156.989**	**4.445.715**	**294.149**	**7.896.853**
Depreciation				
At 1 January 2013	**2.042.683**	**3.517.347**	-	**5.560.030**
Charge for the period	23.511	192.040	-	215.551
Transfer from investment property	7.309	-	-	7.309
Disposals and write offs	-	(90.632)	-	(90.632)
At 31 December 2013	**2.073.503**	**3.618.755**	-	**5.692.258**
Net book value at 31 December 2013	**1.083.486**	**826.960**	**294.149**	**2.204.595**

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6. Investment property

	Consolidated		*Company*	
	2014 MKD'000	*2013 MKD'000*	*2014 MKD'000*	*2013 MKD'000*
At 1 January	115.323	80.703	115.323	80.703
Transfer from property, plant and equipment (Note 5)	-	2.657	-	2.657
Transfer to property, plant and equipment (Note 5)	-	(24.271)	-	(24.271)
Net gain/(loss) from fair value measurement	4.756	909	4.756	909
Revaluation reserves from fair value re-measurement	4.032	55.325	4.032	55.325
At 31 December	**124.111**	**115.323**	**124.111**	**115.323**

Investment property principally comprise of land, production premises with business premises (Usjepor and pallets) and construction object – restaurant and cafeteria room which is held for long-term rental yields and is not occupied by the Group.

	Consolidated and the Company	
	2014 MKD'000	*2013 MKD'000*
Rental income derived from investment properties	9.105	8.614
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Gains arising from investment properties carried at fair value	**9.105**	**8.614**

During 2014, the Group has changed the use of certain properties, such as part of building from owner-occupied to investment property. Prior to their reclassification, they were carried in the Group's statement of financial position at cost less any accumulated depreciation.

As of 31 December 2014 the Group revalued its investment property on the basis of a valuation performed by an independent valuer, Grant Thornton Consulting Doo Skopje, who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The valuation model in accordance with that recommended by International Valuation standards Committee has been applied.

The fair value measurement was made using valuation techniques for which the lowest level input that is significant to the fair measurement is unobservable (level 3).

6. Investment property (continued)

The methodology used and key inputs to the valuation of the investment properties is as follows:

	Methodology	Inputs	Ranges
Buildings	Income method	Vacancy rate	5%
		Landlord costs	5%
		Capitalization rate	11,79%
Land plot	Market approach – sales comparison method	Asking prices of comparable land plots in the region of Municipality Kisela Voda	30 to 80 euro/m2

Significant increases (decreases) in the estimated landlord costs would result in a significant lower or higher fair value of properties. Significant increases (decreases) in the capitalization rate in isolation would result in a significant lower or higher fair value of the properties.

As a result of the valuation as at 31 December 2014, the carrying value of the Group's investment property is adjusted / increased for the amount of MKD 8.788 thousand. Part of the gain in the amount of MKD 4.032 thousand resulting from fair value re-measurement at the moment of change of use during 2014 from owner-occupied to investment property has been recognized in other comprehensive income and presented in the revaluation reserve (See: Statement of Changes in Equity).

Remaining fair value gains in amount of MKD 5.102 thousand and fair value losses in amount of MKD 346 thousand, or net, in the amount of MKD 4.756 thousand has been recognized in the Group's profit and loss for the year ended 31 December 2014 (Notes 3d and 3e).

7. Exploration and evaluation assets

Consolidated and the Company	*Exploration and evaluation of mineral recourses MKD'000*	*Total MKD'000*
Cost		
At 1 January 2014	**42.976**	**42.976**
Additions	1.682	1.682
At 31 December 2014	**44.658**	**44.658**
Depreciation		
At 1 January 2014	**22.041**	**22.041**
Charge for the period	-	-
At 31 December 2014	**22.041**	**22.041**
Net book value at 31 December 2014	**22.617**	**22.617**
Net book value at 1 January 2014	**20.935**	**20.935**

8. Inventories

	Consolidated 2014 *MKD'000*	*Consolidated* 2013 *MKD'000*	*Company* 2014 *MKD'000*	*Company* 2013 *MKD'000*
Spare parts	245.660	252.007	245.660	252.007
Consumable stores	132.085	146.698	132.073	146.647
Raw materials and fuel	137.927	79.993	137.927	79.993
Finished goods	69.105	80.128	69.105	80.128
Semi-finished goods	56.522	32.100	56.522	32.100
Packing materials	10.519	10.771	10.519	10.771
Goods for resale	2.420	809	180	189
Prepayments for inventory purchase	1	32	1	32
	654.239	**602.538**	**651.987**	**601.867**

9. Trade and other receivables

	Consolidated 2014 *MKD'000*	*Consolidated* 2013 *MKD'000*	*Company* 2014 *MKD'000*	*Company* 2013 *MKD'000*
Trade debtors	371.964	299.909	320.264	250.142
Prepayments	25.276	29.277	6.766	18.017
Given advances to suppliers	6.579	1.300	6.579	1.300
Other receivables	35.902	35.503	35.804	35.415
	439.721	**365.989**	**369.413**	**304.874**

Trade receivables are non-interest bearing and are generally on 0 - 75 days terms.

As at 31 December, the aging analysis of trade receivables is as follows:

The Group

			Past due but not impaired				
	Total	Neither past due nor impaired	< 30 days	30-60 days	60-90 days	90-120 days	>120 days
2014	371.964	207.467	89.006	63.880	3.230	692	7.689
2013	299.909	248.796	10.195	15.520	1.450	5.334	18.614

The Company

			Past due but not impaired				
	Total	Neither past due nor impaired	< 30 days	30-60 days	60-90 days	90-120 days	>120 days
2014	320.264	163.352	90.399	63.427	2.458	12	616
2013	250.142	222.191	11.498	14.839	495	-	1.119

10. Cash and cash equivalents

	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
Bank deposits	833.640	2.501.585	833.640	2.501.459
Cash at bank	39.898	49.044	26.669	38.094
Cash at hand	14	29	14	29
	873.552	**2.550.658**	**860.323**	**2.539.582**

11. Share capital

The authorized, issued and fully paid share capital is:

The Group and the Company	*Number of shares*	*MKD '000*
Titan Cement Netherlands B.V. - ordinary shares of MKD 3.100 each	534.667	94,84%
Other shareholders - ordinary shares of MKD 3.100 each	29.117	5,16%
	563.784	**100%**

	MKD'000
Share capital as registered	
At 31 December 2014 and 31 December 2013	**1.747.730**

Dividends paid and proposed

The Group and the Company	*MKD'000*
Declared and paid during the period ended 31 December 2013	
Final dividend for 2012:	
MKD 740,78 per share	
Declared:	417.644
Paid:	417.642
Declared and paid during the period ended 31 December 2014	
Final dividend for 2011, 2012 and 2013:	
MKD 4.923,74 per share	
Declared:	2.775.925
Paid:	2.773.455

Dividends declared and paid for the year ended 31 December 2014 and year ended 31 December 2013 entirely relate to cash dividends on ordinary shares.

12. Other reserves

The Group	*Asset revaluation reserve*	*Statutory reserves*	*Investment Property revaluation reserve*	*Foreign currency translation reserve*	*Total*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January 2013	**268.551**	**349.621**	**-**	**5.090**	**623.262**
Other comprehensive income (note 6)	-	-	55.325	-	55.325
Translation difference	-	-	-	230	230
At 31 December 2013	**268.551**	**349.621**	**55.325**	**5.320**	**678.817**
Other comprehensive income (note 6)	-	-	4.032	-	4.032
Translation difference	-	-	-	351	351
At 31 December 2014	**268.551**	**349.621**	**59.357**	**5.671**	**683.200**

Foreign currency translation reserves

The foreign currency translation reserves are used for recording foreign exchange differences which rise from translation of currency in the financial statements of the foreign subsidiary.

The Company	*Asset revaluation reserve*	*Statutory reserves*	*Investment Property revaluation reserve*	*Total*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
At 01 January 2013	**268.551**	**349.621**	-	**618.172**
Other comprehensive income (note 6)	-	-	55.325	55.325
At 31 December 2013	**268.551**	**349.621**	**55.325**	**673.497**
Other comprehensive income (note 6)	-	-	4.032	4.032
At 31 December 2014	**268.551**	**349.621**	**59.357**	**677.529**

Statutory reserves

On 13 May 2013, the Board of Directors brought a Decision for changes in the Statute of the group, related with the Legal reserves regulated by the Company Law in order to be reconciled with the local Company Law who has suffered changes starting from 1 January 2013.

Namely, the percentage that is required to be allocated to these reserves has been decreased from at least 15% of the annual net profit to at least 5% until the balance of the reserves reaches 10% of the Group's share capital instead 20% as it was previous. The amount that exceeds 10% of the share capital could be used for dividend distribution based on decision of the shareholders assembly.

Therefore, the statutory reserves as of 31 December 2013 in amount of MKD 349.621 thousand comprise two amounts. Statutory reserves in amount of MKD 174.773 thousand can be used only for covering losses if the balance does not exceed 10% of the Group's share capital. The amount of MKD 174.848 thousand that exceed the prescribed limit (exceed 10% of the share capital) could be used for dividend distribution based on decision of the shareholders assembly.

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12. Other reserves (continued)

Investment property revaluation reserve

The investment property revaluation reserves in amount of MKD 59.357 thousand (2013: MKD 55.325 thousand) are result from the fair value re-measurement at the moment of change of use during 2014 from owner-occupied to investment property as explained in Note 6 and are recognized in other comprehensive income presented in the revaluation reserve.

13. Provision for retirement benefits

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Defined retirement benefit obligations	20.189	23.121	20.189	23.121
Defined jubilee anniversary award obligations	18.729	18.813	18.729	18.813
Defined scholarship obligations	19.617	21.548	19.617	21.548
Reservation for retention plan	2.143	1.639	2.143	1.639
	60.678	**65.121**	**60.678**	**65.121**
Analysed as:				
Non-current portion	54.190	56.272	54.190	56.272
Current portion	6.488	8.849	6.488	8.849
	60.678	**65.121**	**60.678**	**65.121**

The movement in the defined benefit obligation over the year is as follows:

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
At 1 January	65.121	67.931	65.121	67.931
Current service costs	3.563	3.942	3.563	3.942
Interest cost	2.697	3.223	2.697	3.223
Recognised actuarial (gains)/losses, net	(2.357)	(1.428)	(2.357)	(1.428)
Reservation for retention plan	504	1.639	504	1.639
	69.528	75.307	69.528	75.307
Benefits paid during the year	(7.438)	(11.516)	(7.438)	(11.516)
Losses from reconciling the actuarial calculation	(1.412)	1.330	(1.412)	1.330
At 31 December	**60.678**	**65.121**	**60.678**	**65.121**

13. Provision for retirement benefits (continued)

The amounts recognised in the income statement are as follows:

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Current service costs	3.563	3.942	3.563	3.942
Interest cost	2.697	3.223	2.697	3.223
Recognised actuarial (gains)/losses, net	(2.357)	(1.428)	(2.357)	(1.428)
Reservation for retention plan	504	1.639	504	1.639
Losses from reconciling the actuarial calculation	(1.412)	1.330	(1.412)	1.330
	2.995	**8.706**	**2.995**	**8.706**

A quantitative sensitivity analysis for change in the discount rate and wage growth as at 31 December 2014 and 2013 is as shown below:

The Group and the Company

2014

Assumptions	**Discount rate**		**Wage growth**	
Sensitivity Level	*1% increase*	*1% decrease*	*1% increase*	*1% decrease*
	In %	*In %*	*In %*	*In %*
Retirement benefits				
Impact on the net defined benefit obligations	(6,14)	6,85	7,02	(6,40)
Jubilee awards				
Impact on the net defined benefit obligations	(4,54)	5,02	5,17	(4,75)

2013

Assumptions	**Discount rate**		**Wage growth**	
Sensitivity Level	*1% increase*	*1% decrease*	*1% increase*	*1% decrease*
	In %	*In %*	*In %*	*In %*
Retirement benefits				
Impact on the net defined benefit obligations	(5,75)	6,41	6,57	(5,99)
Jubilee awards				
Impact on the net defined benefit obligations	(4,88)	5,4	5,54	(5,09)

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13. Provision for retirement benefits (continued)

The following payments are expected contributions to be made in the future years:

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Year 1	6.489	8.826	6.489	8.826
Year 2	7.854	9.489	7.854	9.489
Year 3	10.074	10.077	10.074	10.077
Year 4	10.462	10.556	10.462	10.556
Year 5	7.637	9.339	7.637	9.339
Years 6-10	21.450	20.699	21.450	20.699
Over 10 years	46.312	93.297	46.312	93.297

The principal actuarial assumptions used were as follows:

a) Live probability and mortality by age and sex are determined according to the Mortality Table for the population of Republic of Macedonia for the period 1980-1982;
b) The rate of fluctuation of employees is insignificant and it has not been taken into account in the calculation. On the basis of delivered information for leaving the company in the previous years, it can be determined that the influence of this category of employees is insignificant in relation to the total population of employees. Because of that, leaving the enterprise on this basis is not considered;
c) Employee's retirement in the future will be according to the current legislative (64 for male and 62 for female);
d) The calculation is prepared only for the current population of employees in the enterprise, excluding all employees that will be employed in the future. It is based on the assumption for continuity of service of employees in this enterprise (assumption for continuity of service);
e) The actuarial calculation also refers to the children that at the moment are provided scholarships according to the policy of the enterprise for payment of scholarships to the children of employees that are studying on regular graduate or postgraduate studies. Also, the calculation takes into account the children that are not yet at age for beginning of studies, with assumption that 100% of them will be enrolled at university in 2014, and 50% in the later years, and
f) Starting from 31 December 2013, the actuarial calculation of defined benefits has been supplemented with calculation of the present value of the newly introduced long term benefit for certain category of employees - *additional benefits at retirement*. The calculation is made on the basis of the average parameters of the mentioned population and total expected amount for payment, delivered by the company. The present value of future benefits is calculated applying the abovementioned demographic, financial and other assumptions.

The used financial assumptions were as follows:

Nominal annual increase of the average republic net salary: 1,5%;
Discount rate: 4,8%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in the country.

14. Trade and other payables

	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
Trade creditors	280.944	280.643	280.346	280.230
Customer prepayments	8.599	7.019	7.084	7.023
Tangible assets creditors	29.887	55.652	29.887	55.652
Other current liabilities	26.228	25.925	25.964	25. 737
	345.658	**369.239**	**343.281**	**368.642**

15. Contingences and Commitments

Contingent liabilities

	Consolidated 2014 MKD'000	Consolidated 2013 MKD'000	Company 2014 MKD'000	Company 2013 MKD'000
Bank guarantees	328.183	113.708	325.416	110.940
Concession agreement guarantees	414	308	414	308
Bill of exchange	-	20.000	-	20.000
	328.597	**134.016**	**325.830**	**131.248**

As of 31 December 2014, the Group has obtained a Bank payment guaranties from:

- Halk Banka in favour of Customs of MKD 15.000 thousand valid till 19 March 2016, in favour of MEPSO AD Macedonia of MKD 3.396 thousand for transmission of electricity valid till 30 January 2015, in favour of Makpetrol AD Skopje of MKD 5.000 thousand related to the purchase of natural gas valid till 31 January 2015;

- Ohridska Banka in favour of MOL Hungarian Oil and Gas PLC for pet coke of MKD 46.111 thousand valid until 15 March 2015, in favour of Codascape S.A. Panama for purchase of crude oil in amount of MKD 7.276 thousand valid until 15 February 2015, in favour of Customs for payment of excise and vat in amount of MKD 246.780 thousand valid until 26 February 2016 and in favour of Radomir Metal Industries Corp. for purchase of shaft and roll in amount of MKD 1.853 thousand valid until 15 January 2015

- Raiffeisen Bank, Kosovo in favour of custom in amount of MKD 2.767 thousand with pledged of forklift and generator valid until 30 May 2015.

Furthermore, the Group has obtained bank payment guarantees from Tutunska Bank in total of MKD 414 thousand in favour of the Ministry of Economy for realisation of concession agreements.

15. Contingences and Commitments (continued)

Commitments

Operating lease commitments - company as lessee

The Group leases motor vehicles under operating lease agreements. The leases have varying terms and clauses. The expenditures are recognised in the profit or loss for the period.

	Consolidated		*Company*	
	2014 *MKD'000*	*2013* *MKD'000*	*2014* *MKD'000*	*2013* *MKD'000*
Up to 1 year	4.861	5.727	4.861	5.727
Later than 1 year and not later than 5 years	4.269	9.301	4.269	9.301
	9.130	**15.028**	**9.130**	**15.028**

Purchase commitments

As at 31 December 2014, the Group has entered into contracts for the purchase of electricity amounting to MKD 48.157 thousand only for the first quarter of 2015.

16. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the ultimate parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic EPS computations:

Group	*2014* *MKD'000*	*2013* *MKD'000*
Profit attributable to ordinary equity holders of the ultimate parent:		
Continuing operations	1.459.651	1.488.032
Profit attributable to ordinary equity holders of the ultimate parent for basic earnings	**1.459.651**	**1.488.032**
Weighted average number of ordinary shares for basic EPS	563.784	563.784

17. Related party transactions

Titan Cement Netherlands B.V. owns 94.84% of the Company's share capital.

The following transactions were carried out with the related parties:

a) **Sales of goods and services**

	Consolidated		*Company*	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Ultimate Parent:				
Titan Cement Company-pet coke	-	20.730	-	20.730
Titan Cement Company-freight revenue	-	3.046	-	3.046
Subsidiary:				
Cement Plus Ltd - cement, sand and white cement	-	-	472.020	519.687
Cement Plus Ltd - freight revenue	-	-	13.928	25.968
Trojan Cem EOOD Sofija - cement	-	-	1.911	3.230
Trojan Cem EOOD Sofija - freight	-	-	1.517	2.564
Entity under common control:				
SHARRCEM SH.P.K-pet coke	513.739	471.812	513.739	471.812
SHARRCEM SH.P.K-clinker	-	34.956	-	34.956
SHARRCEM SH.P.K-white cement	11.876	15.971	11.876	15.971
SHARRCEM SH.P.K- freight revenue	-	4.655	-	4.655
SHARRCEM SH.P.K- silos	1.515	1.513	1.515	1.513
SHARRCEM SH.P.K- materials and services	1.221	427	1.221	427
SHARRCEM SH.P.K- other income	102	-	-	-
Titan Cementara Kosjeric - others	-	160	-	160
	528.453	**553.270**	**1.017.727**	**1.104.719**

17. Related party transactions (continued)

Outstanding balances arising from the transactions mentioned above are presented bellow:

Receivables from related parties

	Consolidated		*Company*	
	2014 *MKD'000*	*2013* *MKD'000*	*2014* *MKD'000*	*2013* *MKD'000*
Subsidiary:				
Trojan Cem EOOD SOFIJA - grey cement	-	-	1.980	2.099
Cement Plus Ltd – cement, sand and white cement	-	-	2.404	-
Entity under common control:				
SHARRCEM SH.P.K-pet coke	97.645	71.642	97.645	71.642
SHARRCEM SH.P.K-clinker	-	39.599	-	39.599
SHARRCEM SH.P.K-white cement	1.426	972	1.426	972
SHARRCEM SH.P.K-silos	-	755	-	755
SHARRCEM SH.P.K - materials and services	-	402	-	402
	99.071	**113.370**	**103.455**	**115.469**

b) Purchases of goods and services

	Consolidated		*Company*	
	2014 *MKD'000*	*2013* *MKD'000*	*2014* *MKD'000*	*2013* *MKD'000*
Ultimate Parent:				
Titan Cement Company - white cement and pet coke	491.218	483.543	491.218	483.543
Titan Cement Company-silos	4.141	4.511	4.141	4.511
Titan Cement Company-materials and services	1.304	1.600	1.304	1.600
Entity under common control:				
Balkcem Limited - technical fee	26.861	8.618	26.861	8.618
SHARRCEM SH.P.K - cost of traded goods	-	468	-	468
SHARRCEM SH.P.K - other	-	15	-	15
Titan Cementarnica Kosjeric - donation	481	-	481	-
Titan Zlatna Panega - materials	107	-	107	-
	524.112	**498.755**	**524.112**	**498.755**

95

17. Related party transactions (continued)

Outstanding balances arising from the transactions mentioned above are presented bellow:

Payables to related parties

	Consolidated		Company	
	2014	*2013*	*2014*	*2013*
	MKD'000	*MKD'000*	*MKD'000*	*MKD'000*
Ultimate Parent:				
Titan Cement Company - WC, pet coke and services	29.399	3.800	29.399	3.800
Titan Cement Company-silos	-	750	-	750
Subsidiary:				
Cement Plus Ltd. - prepayments	-	-	-	650
Entity under common control:				
Balkcem Limited - technical fee	5.990	7.756	5.990	7.756
SHARR CEM SH.P.K-grey cement	-	118	-	118
	35.389	**12.424**	**35.389**	**13.074**

The Group and the Company enter into these transactions with the above related parties at mutually agreed terms.

18. Financial risk management objectives and policies

The Group's principal financial liabilities comprise trade and other payables. The Group has various financial assets such as trade receivables and cash and cash equivalents short-term deposits, which arise directly from the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk. The management of these risks is in accordance with the policies approved by the Board of Directors that is responsible also for their review.

a) Interest risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

b) Foreign exchange risk

The Group's exposure to foreign currency risk is minimal due to the fact that the majority of foreign currency transactions relating to selling and purchases are denominated in EURO, which was stable during all 2013.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

95

18. Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Company's and Group's financial liabilities at 31 December 2013 and 31 December 2012 based on contractual undiscounted payments.

The Group

Year ended 31 December 2014

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	245.555	-	-	-	245.555
Other payables	-	56.115	-	-	-	56.115
Payables to related parties	-	35.389	-	-	-	35.389

Year ended 31 December 2013

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	268.219	-	-	-	268.219
Other payables	-	81.577	-	-	-	81.577
Payables to related parties	-	12.424	-	-	-	12.424

c) Liquidity risk (continued)

The Company

Year ended 31 December 2014

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	244.957	-	-	-	244.957
Other payables	-	55.851	-	-	-	55.851
Payables to related parties	-	35.389	-	-	-	35.389

18. Financial risk management objectives and policies (continued)

Year ended 31 December 2013

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	267.156	-	-	-	267.156
Other payables	-	81.389	-	-	-	81.389
Payables to related parties	-	13.074	-	-	-	13.074

d) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one customer. In addition, to reduce this risk the Group has required as collateral: bank guaranties and deposits.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial investments and other financial assets (non-current), the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

e) Fair values

The fair values of the Group financial instruments approximate their carrying amounts due to their short term of maturity.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholders' approval. No changes were made in the objectives, policies or processes of the Group during the years end 31 December 2014 and 31 December 2013.

The Group monitors its equity capital using earnings before interest, tax, depreciation and amortization (EBITDA) for the year.

18. Financial risk management objectives and policies (continued)

The Group

	2014	*2013*
	MKD'000	*MKD'000*
EBITDA	**1.794.942**	**1.675.157**

The Company

	2014	*2013*
	MKD'000	*MKD'000*
EBITDA	**1.783.869**	**1.661.954**

19. Events after the reporting period

There have been no significant events subsequent to the reporting period, which require disclosure in the financial statements of the Group and the Company.

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Name of the Company:
CEMENTARNICA "USJE" AD SKOPJE
Address:
Boris Trajkovski no: 94 Skopje
Unique ID number
4053397

Income Statement 01.01.2014 - 31.12.2014

Ordinal No.	Position	AOP	Amount	
			Current year	Previous year
1	2	3	5	6
1.	**I. OPERATIONAL INCOME (202+203+206)**	201	4.126.258.503	4.059.534.394
2.	Sale income	202	3.995.311.883	3.936.177.678
3.	Other income	203	11.254.722	21.641.956
4.	Change of the value of stock of finished products and unfinished production			
4.a.	Stock of finished products and unfinished production at the beginning of the year	204	112.226.765	101.461.599
4.б.	Stock of finished products and unfinished production at the end of the year	205	125.627.259	112.226.765
5.	Capitalisation of own production and services	206	119.691.898	101.714.760
6.	**II. OPERATIONAL EXPENSES (208+209+210+211+212+213+218+219+220+221+222)**	207	2.567.482.109	2.626.818.496
7.	Raw materials expenses	208	1.038.869.418	1.180.635.495
8.	Purchase price of the goods sold	209	554.380.601	475.568.763
9.	Purchase price of materials, spare parts, small inventory, packaging and tyres	210	3.376.338	88.733
10.	Services categorized as material expenses	211	318.996.264	314.003.974
11.	Other operational expenses	212	45.563.306	46.048.889
12.	Employees expenses (214+215+216+217)	213	369.482.846	364.267.954
12.a.	Net salaries	214	222.820.529	226.004.061
12.б.	Expenses for taxes and salaries contributions	215	21.731.607	21.967.359
12.в.	Mandatory social contribution expenses	216	86.320.729	88.396.066
12.г.	Other expenses for employees	217	38.619.981	27.900.468
13.	Depreciation of tangible and intangible assets	218	209.304.962	216.170.589
14.	Impairment of non-fixed assets	219	346.000	4.192.000
15.	Impairment of fixed assets	220	7.113.825	94.170
16.	Provisions for risks and expenses	221	7.214.990	11.217.007
17.	Other operational expenses	222	12.823.559	14.530.922
18.	**III. FINANCIAL INCOME (224+229+230+231+232+233)**	223	57.556.882	51.781.338
19.	Financial income arising from related parties (225+226+227+228)	224	1.762.204	1.481.984
19.a.	Income from investment in related parties	225	0	0
19.б.	Income from interests from related parties	226	0	0
19.в.	Income from foreign exchange difference from related parties	227	1.762.204	1.481.984
19.г.	Other financial income from related parties	228	0	0
20.	Income from investment in non-related parties	229	0	0
21.	Income from interests from non-related parties	230	49.910.169	46.850.147
22.	Income from foreign exchange difference from non-related parties	231	5.884.509	3.449.207
23.	Unrealised income from financial assets	232	0	0
24.	Other financial income	233	0	0
25.	**IV. FINANCIAL EXPENSES (235+239+240+241+242+243)**	234	5.240.774	6.642.835
26.	Financial expenses with related parties (236+237+238)	235	2.792.078	611.282
26.a.	Expenses for interest payable to related parties	236	0	0
26.б.	Expense for foreign exchange differences payable to related parties	237	2.792.078	611.282
26.в.	Other financial expenses payable to related parties	238	0	0
27.	Expenses for interest payable to non-related parties	239	17.274	1.946.351
28.	Expense for foreign exchange differences payable to non-related parties	240	2.431.422	4.085.202
29.	Unrealised loss from financial assets	241	0	0
30.	Impairement of financial assets and investment	242	0	0
31.	Other financial expenses	243	0	0

32.	Participation in the profit of associate entities	244	0	0
33.	Participation in the loss of associate entities	245	0	0
34.	Profit from regular operations (201+223+244)-(204-205+207+234+245)	246	1.624.492.996	1.488.619.567
35.	Loss from regular operations (204-205+207+234+245)-(201+223+244)	247		0
36.	Net profit from interrupted work	248		0
37.	Net loss from interrupted work	249		0
38.	Profit before taxation (246+248) или (246-249)	250	1.624.492.996	1.488.619.567
39.	Loss before taxation (247+249) или (247-248)	251	0	0
40.	Corporate income tax	252	166.914.792	3.932.318
41.	Deferred tax assets	253	0	0
42.	Deferred tax liabilities	254	0	0
43.	NET PROFIT FOR THE CURRENT YEAR (250-252+253-254)	255	1.457.578.204	1.484.687.249
44.	NET LOSS FOR THE CURRENT YEAR (251+252-253+254)	256		
45.	Average numeber of employees upon work hours	257	316	330
46.	Number of months of work	258	12	12
47.	PROFIT/LOSS FOR THE PERIOD	259	1.457.578.204	1.484.687.249
47.a.	Profit belonging to the shareholders in the parent company	260	1.382.300.616	1.408.009.596
47.б.	Profit belonging to the uncontrollable participation	261	75.277.588	76.677.653
47.в.	Loss belonging to the shareholders in the parent company	262	0	0
47.г.	Loss belonging to the uncontrollable participation	263	0	0
48.	EARNINGS PER SHARE	264	0	0
48.a.	Total basic earnings per share	265	2.585	2.633
48.б.	Total diluted earnings per share	266	2.585	2.633
48.в.	Basic earning per share from interrupted work	267	0	0
48.г.	Dilutred earnings per share from interrupted work	268	0	0
	REPORT FOR COMPREHENSIVE INCOME			
1.	Profit for the year	269	1.457.578.204	1.484.687.249
2.	Loss for the year	270	0	0
3.	Other comprehensive profit (273+275+277+279+281+283) - (274+276+278+280+282+284)	271	4.032.000	55.325.000
4.	Other comprehensive loss (274+276+278+280+282+284) - (273+275+277+279+281+283)	272	0	0
5.	Gains arising from translation of foreign operations	273	0	0
6.	Loss arising from translation of foreign operations	274	0	0
7.	Gains from re-assessment of financial assets available for sale	275	0	0
8.	Loss from re-assessment of financial assets available for sale	276	0	0
9.	Effective portion of gains from hedging instruments for hedging of cash flows	277	0	0
10.	Effective portion of losses from hedging instruments for hedging of cash flows	278	0	0
11.	Changes of re-evaluation reserves for non-current assets (+)	279	4.032.000	55.325.000
12.	Changes of re-evaluation reserves for non-current assets (-)	280	0	0
13.	Actuarial gains on defined plans for employee benefits	281	0	0
14.	Actuarial losses on defined plans for employee benefits	282	0	0
15.	Share in other comprehensive income of associates (just for the needs of consolidation)	283	0	0
16.	Share in other comprehensive loss of associates (just for the needs of consolidation)	284	0	0
17.	Corporate Income Tax in the components of the other comrehensive income	285	0	0
18.	Net other comprehensive income (271-285)	286	4.032.000	55.325.000
19.	Net other comprehensive loss (285-271) или (272+285)	287		
20.	Total comprehensive income for the year (269+286) или (286-270)	288	1.461.610.204	1.540.012.249
20.a.	Comprehensive income attributable to share holders of parent company	289	1.386.124.380	1.460.477.300
20.б.	Comprehensive income belonging to uncontrollable participation	290	75.485.824	79.534.949
21.	Total comprehensive loss for year (270+287) or (270-286) or (287-269)	291	0	0
21.a.	Comprehensive loss attributable to share holders of parent company	292	0	0
21.б.	Comprehensive loss belonging to uncontrollable participation	293	0	0

In Skopje
On 28.02.2015

Chief Executive Director

Цементарница "УСЈЕ" АД Скопје

Finance Manager

Name of the Company
:EMENTARNICA "USJE" AD SKOPJE
ldress
Boris Trajkovski no: 94 Skopje
Unique ID number
53397

Balance Sheet 01.01.2014 - 31.12.2014

Position	AOP	Amount	
		Current year	Previous year
1	2	4	5
ASSETS: A. NON-FIXED ASSETS (002+009+020+021+031)	001	2.584.459.008	2.500.074.993
Intangible assets (003+004+005+006+007+008)	002	22.617.391	20.935.179
:penditures for research and development	003	0	0
Patents, license, concession and other rights.	004	22.617.391	20.935.179
Goodwill	005	0	0
lvance payment for intangible assets	006	0	0
:angible assets in preparation	007	0	0
Other intangible assets	008	0	0
Tangible assets (010+013+014+015+016+017+018+019)	009	2.279.808.697	2.205.894.894
ımovable property (real estate) (011+012)	010	1.134.199.077	1.083.484.908
Land	011	802.840.332	760.228.510
Buildings	012	331.358.745	323.256.398
ant and equipment	013	900.574.617	814.881.505
ansport assets	014	549.911	954.323
Tools, office inventor, assets for transport	015	8.589.254	11.125.652
Biological assets	016	0	0
dvance payment for tangible	017	6.578.817	1.300.195
angible assets in preparation	018	229.317.021	294.148.311
Other tangible assets in preparation	019	0	0
II. INVESTMENT IN IMMOVABLE PROPERTY	020	124.111.400	115.323.400
/. LONG-TERM FINANCIAL ASSETS (022+023+024+025+026+030)	021	157.921.520	157.921.520
ıivestment in branch offices	022	157.921.520	157.921.520
Investment in associate entities and joint venture investtments	023	0	0
eceivables from long-term loans granted to related parties	024	0	0
:eceivables from long-term loans	025	0	0
Investment in long-term securities (027+028+029)	026	0	0
Investment in securities held to maturity	027	0	0
ıvestments in securities available for sale	028	0	0
ıvestments in securities at fair value through profit or loss	029	0	0
Other long-term financial assets	030	0	0
V. LONG-TERM RECEIVABLES (032+033+034)	031	0	0
:eceivables from related parties	032	0	0
Receivables from customers	033	0	0
Other long-term receivables	034	0	0
VI. DEFERRED TAX ASSETS	035	0	0
;. CURRENT ASSETS (037+045+052+059)	036	1.854.349.549	3.422.924.945
I. Stocks (038+039+040+041+042+043)	037	651.985.773	601.834.098
Stocks of raw materials	038	240.618.649	197.708.974
Stocks of spare parts, small inventory, packaging and tyres	039	285.560.216	291.709.673
Stock of unfinished products and semi-products	040	56.522.462	32.099.554
Stock of finished products	041	69.104.797	80.127.211
Stock of commercial products	042	179.649	188.686
Stock of biological products	043	0	0
II. ASSETS (OR GROUP FOR TRANSFER FOR SALES AND INTERRUPTED WORKS)	044		
III. SHORT-TERM RECEIVABLES (046+047+048+049+050+051)	045	342.040.277	281.508.798
Receivables from related parties	046	103.455.206	115.469.565
Trade accounts receivable	047	229.527.971	142.405.707
Advance payments	048	3.464.265	3.962.597
Receivables from the state upon taxes, social contribution, customs duties, excise and other duties towards the state	049	5.015.059	18.792.664
Receivables from the employees	050	577.776	878.265
Other short term receivables	051	0	0
IV. SHORT-TERM FINANCIAL ASSETS (053+056+057+058)	052	0	0
Investment in securities (054+055)	053	0	0
Investment in secutrities held to maturity	054	0	0

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Investments in securities at fair value through profit or loss	055	0	0
ceivables from short-term loans granted to related parties	056	0	0
ceivables from short-term loans	057	0	0
Other short-term financial assets	058	0	0
V. Cash and cash equivalents (060+061)	059	860.323.499	2.539.582.049
sh	060	26.683.717	38.123.255
sh equivalents	061	833.638.782	2.501.458.794
VI. PREPAYMENT OF EXPENSES FOR FUTURE PERIODS AND CALCULATED REVENUES	062	21.607.714	26.803.901
TOTAL ASSETS: ASSETS (001+035+036+044+062)	063	4.460.416.271	5.949.803.839
OUT-OF-BALANCE RECORDS - ASSETS	064	2.244.897.747	4.621.291.866
ABILITIES: A. SHARE CAPITAL AND RESERVES (066+067-068-069+070+071+075-076+077-078)	065	3.882.836.232	5.505.587.996
I. SHARE CAPITAL	066	1.747.729.749	1.747.729.749
Share premiums	067	0	0
Own shares (-)	068	0	0
IV. Registered, not paid capital (-)	069	0	0
V. Revaluation reserve and differences from evaluation of components of the other mprehensive profit	070	83.622.451	79.590.451
. RESERVES (072+073+074)	071	593.905.828	593.905.828
Statutory reserves	072	349.622.319	349.622.319
Company's reserves (according to the Incorporation Act)	073	0	0
her reserves	074	244.283.509	244.283.509
I. ACCUMULATED PROFIT	075	0	1.599.674.719
VIII. TRANSFERRED LOSS (-)	076	0	0
. PROFIT FOR THE CURRENT YEAR	077	1.457.578.204	1.484.687.249
LOSS FOR THE CURRENT YEAR	078	0	0
XI. SHARE CAPITAL OF THE OWNERS OF THE PARENT COMPANY	079	1.657.466.444	
XII. NON-CONTROLLABLE PARTICIPATION	080	90.263.305	
LIABILITIES (082+085+095)	081	473.920.152	338.189.711
. LONG-TERM PROVISIONS FOR RISKS AND EXPENSES (083+084)	082	62.277.734	66.684.015
Provisions for pensions, severance payments and similar liabilities towards the employees	083	54.189.416	56.271.051
her long-term provisions for risks and expenses	084	8.088.318	10.412.964
LONG-TERM LIABILITIES (од 086 до 093)	085	0	0
Liabilities to related parties	086	0	0
Trade payables	087	0	0
dvance and deposit liabilities	088	0	0
Liabilities upon loans and credits to related parties	089	0	0
Liabilities upon loans and credits	090	0	
abilities upon securities	091	0	0
ther financial liabilities	092	0	0
Other long-term liabilities	093	0	0
II. DEFERRED TAX LIABILITIES	094	0	0
. SHORT-TERM LIABILITIES (од 096 до 108)	095	411.642.418	271.505.696
Liabilities to related parties	096	36.054.457	13.936.792
Trade payables	097	173.207.699	220.071.265
dvance and deposit liabilities	098	7.083.580	6.372.535
abiliites for taxes and social contribution upon salaries	099	5.673.004	5.800.626
Liabilities towards the employees	100	12.128.781	12.636.375
Current tax liabilities	101	165.582.503	3.375.097
hort-term provisions for risks and expenses	102	6.488.899	8.849.950
Liabilities upon loans and credits to related parties	103	0	0
Liabilities upon loans and credits	104	0	0
iabilities upon securities	105	0	0
iabilities upon participation in the profits	106	2.510.782	39.501
Other financial liabilities	107	0	0
Other long-term liabilities	108	2.912.713	423.555
. DEFERRED PAYMENTS OF EXPENSES AND INCOME IN FUTURE PERIODS	109	103.659.887	106.026.132
VI. LIABILITIES FOR NON-FIXED ASSETS (OR GROUPS FOR TRANSFER) HELD FOR SALE OR INTERRUPTION OF WORK	110	0	0
OTAL LIABILITIES: SHARE CAPITAL, RESERVES AND LIABILITIES (065+081+094+109+110)	111	4.460.416.271	5.949.803.839
B. OUT-OF-BALANCE RECORDS - LIABILITIES	112	2.244.897.747	4.621.291.866

In Skopje
On 28.02.2015

Chief Executive Director

Finance Manager

Цементарница "УСЈЕ" АД Скопје

Name of the Company
CEMENTARNICA "USJE" AD SKOPJE
Address
Boris Trajkovski no: 94 Skopje
Unique ID number
4053397

Consolidated Income Statement 01.01.2014 - 31.12.2014

Ordinal No.	Position	AOP	Amount	
			Current year	Previous year
1	2	3	5	6
1.	**I. OPERATIONAL INCOME (202+203+206)**	201	4.159.958.737	4.103.081.504
2.	Sale income	202	4.028.910.303	3.979.724.788
3.	Other income	203	11.356.536	21.641.956
4.	Change of the value of stock of finished products and unfinished production			
4.a.	Stock of finished products and unfinished production at the beginning of the year	204	112.226.765	101.461.599
4.б.	Stock of finished products and unfinished production at the end of the year	205	125.627.259	112.226.765
5.	Capitalisation of own production and services	206	119.691.898	101.714.760
6.	**II. OPERATIONAL EXPENSES (208+209+210+211+212+213+218+219+220+221+222)**	207	2.597.600.898	2.664.609.949
7.	Raw materials expenses	208	1.039.963.676	1.181.796.913
8.	Purchase price of the goods sold	209	558.772.423	482.723.805
9.	Purchase price of materials, spare parts, small inventory, packaging and tyres	210	3.376.338	88.733
10.	Services categorized as material expenses	211	320.089.240	315.316.283
11.	Other operational expenses	212	47.177.106	47.669.255
12.	Employees expenses (214+215+216+217)	213	374.579.170	368.973.788
12.a.	Net salaries	214	226.737.622	229.616.041
12.б.	Expenses for taxes and salaries contributions	215	22.028.805	22.239.327
12.в.	Mandatory social contribution expenses	216	86.764.339	88.803.196
12.г.	Other expenses for employees	217	39.048.405	28.315.224
13.	Depreciation of tangible and intangible assets	218	216.314.075	223.255.112
14.	Impairment of non-fixed assets	219	346.000	4.192.000
15.	Impairment of fixed assets	220	7.667.530	94.170
16.	Provisions for risks and expenses	221	7.214.990	11.217.007
17.	Other operational expenses	222	22.100.350	29.282.883
18.	**III. FINANCIAL INCOME (224+229+230+231+232+233)**	223	57.582.822	51.789.268
19.	Financial income arising from related parties (225+226+227+228)	224	1.762.204	1.481.984
19.a.	Income from investment in related parties	225	0	0
19.б.	Income from interests from related parties	226	0	0
19.в.	Income from foreign exchange difference from related parties	227	1.762.204	1.481.984
19.г.	Other financial income from related parties	228	0	0
20.	Income from investment in non-related parties	229	0	0
21.	Income from interests from non-related parties	230	49.914.303	46.855.908
22.	Income from foreign exchange difference from non-related parties	231	5.906.315	3.451.376
23.	Unrealised income from financial assets	232	0	0
24.	Other financial income	233	0	0
25.	**IV. FINANCIAL EXPENSES (235+239+240+241+242+243)**	234	5.270.710	6.654.671
26.	Financial expenses with related parties (236+237+238)	235	2.792.078	611.282
26.a.	Expenses for interest payable to related parties	236	0	0
26.б.	Expense for foreign exchange differences payable to related parties	237	2.792.078	611.282
26.в.	Other financial expenses payable to related parties	238	0	0
27.	Expenses for interest payable to non-related parties	239	17.274	1.946.351
28.	Expense for foreign exchange differences payable to non-related parties	240	2.461.358	4.097.038
29.	Unrealised loss from financial assets	241	0	0
30.	Impairement of financial assets and investment	242	0	0
31.	Other financial expenses	243	0	0

32.	Participation in the profit of associate entities	244	0	0
33.	Participation in the loss of associate entities	245	0	0
34.	Profit from regular operations (201+223+244)-(204-205+207+234+245)	246	1.628.070.446	1.494.371.318
35.	Loss from regular operations (204-205+207+234+245)-(201+223+244)	247		
36.	Net profit from interrupted work	248		
37.	Net loss from interrupted work	249		
38.	Profit before taxation (246+248) или (246-249)	250	1.628.070.446	1.494.371.318
39.	Loss before taxation (247+249) или (247-248)	251	0	0
40.	Corporate income tax	252	167.331.989	4.529.565
41.	Deferred tax assets	253	0	0
42.	Deferred tax liabilities	254	0	0
43.	NET PROFIT FOR THE CURRENT YEAR (250-252+253-254)	255	1.460.738.457	1.489.841.753
44.	NET LOSS FOR THE CURRENT YEAR (251+252-253+254)	256		
45.	Average numeber of employees upon work hours	257	324	337
46.	Number of months of work	258	12	12
47.	PROFIT/LOSS FOR THE PERIOD	259	1.460.738.457	1.489.841.753
47.a.	Profit belonging to the shareholders in the parent company	260	1.459.650.359	1.488.031.503
47.б.	Profit belonging to the uncontrollable participation	261	1.088.098	1.810.250
47.в.	Loss belonging to the shareholders in the parent company	262	0	0
47.г.	Loss belonging to the uncontrollable participation	263	0	0
48.	EARNINGS PER SHARE	264	2.589	2.639
48.a.	Total basic earnings per share	265	2.589	2.639
48.б.	Total diluted earnings per share	266	0	0
48.в.	Basic earning per share from interrupted work	267	0	0
48.г.	Dilutred earnings per share from interrupted work	268	0	0
	REPORT FOR COMPREHENSIVE INCOME			
1.	Profit for the year	269	1.460.738.457	1.489.841.753
2.	Loss for the year	270	0	0
3.	Other comprehensive profit (273+275+277+279+281+283) - (274+276+278+280+282+284)	271	4.578.390	55.617.129
4.	Other comprehensive loss (274+276+278+280+282+284) - (273+275+277+279+281+283)	272	0	0
5.	Gains arising from translation of foreign operations	273	546.390	292.129
6.	Loss arising from translation of foreign operations	274	0	0
7.	Gains from re-assessment of financial assets available for sale	275	0	0
8.	Loss from re-assessment of financial assets available for sale	276	0	0
9.	Effective portion of gains from hedging instruments for hedging of cash flows	277	0	0
10.	Effective portion of losses from hedging instruments for hedging of cash flows	278	0	0
11.	Changes of re-evaluation reserves for non-current assets (+)	279	4.032.000	55.325.000
12.	Changes of re-evaluation reserves for non-current assets (-)	280	0	0
13.	Actuarial gains on defined plans for employee benefits	281	0	0
14.	Actuarial losses on defined plans for employee benefits	282	0	0
15.	Share in other comprehensive income of associates (just for the needs of consolidation)	283	0	0
16.	Share in other comprehensive loss of associates (just for the needs of consolidation)	284	0	0
17.	Corporate Income Tax in the components of the other comrehensive income	285	0	0
18.	Net other comprehensive income (271-285)	286	4.578.390	55.617.129
19.	Net other comprehensive loss (285-271) или (272+285)	287		
20.	Total comprehensive income for the year (269+286) или (286-270)	288	1.465.316.847	1.545.458.882
20.a.	Comprehensive income attributable to share holders of parent company	289	1.464.033.359	1.543.586.503
20.б.	Comprehensive income belonging to uncontrollable participation	290	1.283.488	1.872.379
21.	Total comprehensive loss for year (270+287) or (270-286) or (287-269)	291	0	0
21.a.	Comprehensive loss attributable to share holders of parent company	292	0	0
21.б.	Comprehensive loss belonging to uncontrollable participation	293	0	0

In Skopje
On 28.02.2015

Chief Executive Director

Цементарница "УСЈЕ" АД Скопје

Finance Manager

Name of the Company
EMENTARNICA "USJE" AD SKOPJE
ddress
Boris Trajkovski no: 94 Skopje
nique ID number
)53397

onsolidated Balance Sheet 01.01.2014 - 31.12.2014

Position	AOP	Amount	
		Current year	Previous year
1	2	4	5
	a	c	b
SSETS: A. NON-FIXED ASSETS (002+009+020+021+031)	001	2.561.727.709	2.484.382.105
Intangible assets (003+004+005+006+007+008)	002	26.651.285	24.969.073
Expenditures for research and development	003	0	0
Patents, license, concession and other rights.	004	22.617.391	20.935.179
oodwill	005	4.033.894	4.033.894
dvance payment for intangible assets	006	0	0
Intangible assets in preparation	007	0	0
ther intangible assets	008	0	0
Tangible assets (010+013+014+015+016+017+018+019)	009	2.410.965.024	2.344.089.632
mmovable property (real estate) (011+012)	010	1.258.705.793	1.210.192.601
Land	011	860.421.261	817.814.305
uildings	012	398.284.532	392.378.296
ant and equipment	013	907.223.546	826.344.932
Transport assets	014	549.911	954.323
Tools, office inventor, assets for transport	015	8.589.936	11.149.270
ological assets	016	0	0
dvance payment for tangible	017	6.578.817	1.300.195
Tangible assets in preparation	018	229.317.021	294.148.311
Other tangible assets in preparation	019	0	0
. INVESTMENT IN IMMOVABLE PROPERTY	020	124.111.400	115.323.400
. LONG-TERM FINANCIAL ASSETS (022+023+024+025+026+030)	021	0	0
Investment in branch offices	022	0	0
vestment in associate entities and joint venture investtments	023	0	0
eceivables from long-term loans granted to related parties	024	0	0
eceivables from long-term loans	025	0	0
Investment in long-term securities (027+028+029)	026	0	0
vestment in securities held to maturity	027	0	0
vestments in securities available for sale	028	0	0
Investments in securities at fair value through profit or loss	029	0	0
Other long-term financial assets	030	0	0
. LONG-TERM RECEIVABLES (032+033+034)	031	0	0
eceivables from related parties	032	0	0
Receivables from customers	033	0	0
Other long-term receivables	034	0	0
I. DEFERRED TAX ASSETS	035	0	0
. CURRENT ASSETS (037+045+052+059)	036	1.941.496.973	3.497.552.871
I. Stocks (038+039+040+041+042+043)	037	654.237.323	602.506.005
tocks of raw materials	038	240.618.649	197.708.974
tocks of spare parts, small inventory, packaging and tyres	039	285.560.216	291.709.673
Stock of unfinished products and semi-products	040	56.522.462	32.099.554
tock of finished products	041	69.104.797	80.127.211
tock of commercial products	042	2.431.199	860.593
tock of biological products	043	0	0
II. ASSETS (OR GROUP FOR TRANSFER FOR SALES AND INTERRUPTED WORKS)	044		
I. SHORT-TERM RECEIVABLES (046+047+048+049+050+051)	045	413.708.114	344.388.972
eceivables from related parties	046	99.071.273	113.370.190
Trade accounts receivable	047	285.710.224	194.358.780
dvance payments	048	3.464.466	3.962.798
eceivables from the state upon taxes, social contribution, customs duties, excise and other duties owards the state	049	24.884.375	31.818.939
Receivables from the employees	050	577.776	878.265
Other short term receivables	051	0	0
/. SHORT-TERM FINANCIAL ASSETS (053+056+057+058)	052	0	0
vestment in securities (054+055)	053	0	0

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Investment in secutrities held to maturity	054	0	0
Investments in securities at fair value through profit or loss	055	0	0
Receivables from short-term loans granted to related parties	056	0	0
Receivables from short-term loans	057	0	0
Other short-term financial assets	058	0	0
Cash and cash equivalents (060+061)	059	873.551.536	2.550.657.894
Cash	060	39.911.754	49.073.678
Cash equivalents	061	833.639.782	2.501.584.216
PREPAYMENT OF EXPENSES FOR FUTURE PERIODS AND CALCULATED REVENUES	062	21.607.714	26.803.901
TOTAL ASSETS: ASSETS (001+035+036+044+062)	063	4.524.832.396	6.008.738.877
B. OUT-OF-BALANCE RECORDS - ASSETS	064	2.244.897.747	4.621.291.866
LIABILITIES: A. SHARE CAPITAL AND RESERVES (066+067-068-069+070+071+075-076+077-078)	065	3.944.876.799	5.563.920.810
SHARE CAPITAL	066	1.804.128.198	1.804.128.198
Share premiums	067	0	0
III. Own shares (-)	068	0	0
IV. Registered, not paid capital (-)	069	0	0
Revaluation reserve and differences from evaluation of components of the other comprehensive profit	070	83.622.451	79.590.451
VI. RESERVES (072+073+074)	071	599.832.022	599.284.522
Statutory reserves	072	349.678.081	349.678.081
Company's reserves (according to the Incorporation Act)	073	0	0
Other reserves	074	250.153.941	249.606.441
VII. ACCUMULATED PROFIT	075	0	1.591.075.886
VIII. TRANSFERRED LOSS (-)	076	3.444.329	
IX. PROFIT FOR THE CURRENT YEAR	077	1.460.738.457	1.489.841.753
X. LOSS FOR THE CURRENT YEAR	078	0	0
XI. SHARE CAPITAL OF THE OWNERS OF THE PARENT COMPANY	079		
XII. NON-CONTROLLABLE PARTICIPATION	080		
B. LIABILITIES (082+085+095)	081	476.295.710	338.791.935
I. LONG-TERM PROVISIONS FOR RISKS AND EXPENSES (083+084)	082	62.277.734	66.684.015
Provisions for pensions, severance payments and similar liabilities towards the employees	083	54.189.416	56.271.051
Other long-term provisions for risks and expenses	084	8.088.318	10.412.964
II. LONG-TERM LIABILITIES (од 086 до 093)	085	0	0
Liabilities to related parties	086	0	0
Trade payables	087	0	0
Advance and deposit liabilities	088	0	0
Liabilities upon loans and credits to related parties	089	0	0
Liabilities upon loans and credits	090	0	0
Liabilities upon securities	091	0	0
Other financial liabilities	092	0	0
Other long-term liabilities	093	0	0
III. DEFERRED TAX LIABILITIES	094	0	0
IV. SHORT-TERM LIABILITIES (од 096 до 108)	095	414.017.976	272.107.920
Liabilities to related parties	096	36.054.457	13.286.326
Trade payables	097	173.804.046	220.484.230
Advance and deposit liabilities	098	8.598.390	7.018.962
Liabiliites for taxes and social contribution upon salaries	099	5.673.004	5.800.626
Liabilities towards the employees	100	12.141.772	12.706.269
Current tax liabilities	101	165.833.915	3.498.501
Short-term provisions for risks and expenses	102	6.488.899	8.849.950
Liabilities upon loans and credits to related parties	103	0	0
Liabilities upon loans and credits	104	0	0
Liabilities upon securities	105	0	0
Liabilities upon participation in the profits	106	2.510.782	39.501
Other financial liabilities	107	0	0
Other long-term liabilities	108	2.912.713	423.555
V. DEFERRED PAYMENTS OF EXPENSES AND INCOME IN FUTURE PERIODS	109	103.659.887	106.026.132
VI. LIABILITIES FOR NON-FIXED ASSETS (OR GROUPS FOR TRANSFER) HELD FOR SALE OR INTERRUPTION OF WORK	110	0	0
TOTAL LIABILITIES: SHARE CAPITAL, RESERVES AND LIABILITIES (065+081+094+109+110)	111	4.524.832.396	6.008.738.877
B. OUT-OF-BALANCE RECORDS - LIABILITIES	112	2.244.897.747	4.621.291.866

In Skopje
On 28.02.2015

Chief Executive Director

Депозитарница "УСЈЕ" АД Скопје

Finance Manager