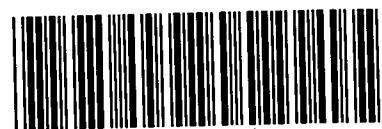


**STANTON BONNA CONCRETE  
LIMITED**

**Report and Financial Statements**

**Year ended 31 December 2013**

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# **STANTON BONNA CONCRETE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# STANTON BONNA CONCRETE LIMITED

## STRATEGIC REPORT

### REVIEW OF BUSINESS AND FUTURE PROSPECTS

The company's turnover for the year increased to £19.5 million (2012: £18.9 million). The profit before taxation was £1,388,000 (2012: profit of £986,000).

As anticipated our core market concrete pipe and manhole volumes increased above 2012 levels, as the construction sector saw a welcomed albeit mixed recovery. This improvement is expected to continue as private housing developments in particular pick up and the economy in general improves. As in previous years, significant volumes were also achieved from specialist products, particularly in the rail infrastructure market.

The company continues to regularly monitor and take action on costs and control of working capital is also closely monitored. The number of employees remained fairly stable at an average of 126 compared to 125 in 2012.

Stanton Bonna Concrete being part of the Consolis Group continues to develop its product range in the concrete drainage market and is pursuing vigorously the introduction of group products into new and existing markets.

In the first half of 2013 the company took the decision to permanently close its small glass reinforced plastic pipe manufacturing operation which had suffered from a very erratic order profile for a number of years. The production facility was closed at the end of July 2013 due to lack of orders for this product.

The directors consider turnover, profit for the year before taxation and employee numbers to be the key performance indicators of the business.

### PRINCIPAL RISKS AND UNCERTAINTIES

Stanton Bonna Concrete faces common business challenges within a mature market. It addresses these challenges with appropriate cost controls and continues to innovate its product and service offering to meet customer needs.

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

11<sup>th</sup> June 2014



B WILSON  
Secretary

# **STANTON BONNA CONCRETE LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is the manufacture and supply of concrete pipes, concrete manholes and other concrete products.

### **DIRECTORS**

The directors who served during the year are as follows:

B K Cooper

J C Perron

P M R Brousse

N Yatzimirsky

D G Woolley

The directors at the date of this report are as follows:

J C Perron

P M R Brousse

N Yatzimirsky

D G Woolley

None of the directors had a material interest in any contract to which the company was a party.

### **GOING CONCERN**

After making due enquiries, the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason, the going concern basis continues to be adopted in preparing the financial statements.

In reaching this conclusion the Board have considered the financial position of the company and its funding facilities. The Board has undertaken a review of the company's forecasts and associated risks and sensitivities. The company is financed by a combination of intergroup debt and cash balances/bank overdrafts and the Board have every expectation that the immediate parent company will continue to make available intergroup debt at levels sufficient to allow the company to meet its liabilities as they fall due.

### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The company is exposed to interest rate charges as all cash held at bank and loans are held at floating rates. The company does not mitigate its exposure to interest rate risk as it is not considered significant. There is also exposure to exchange rate fluctuations on the cash at bank where one bank account is held in Euros, the debtors ledger as some customers are invoiced in Euros and the purchase ledger as the company purchases in Euros. The exchange rate risk is partly mitigated by the natural hedge from buying and selling in Euros. The company has used foreign exchange hedging contracts where the exposure is substantial. Any substantial exposures are reviewed with the Consolis Group treasury function.

The company is exposed to commodity price risk. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

# **STANTON BONNA CONCRETE LIMITED**

## **DIRECTORS' REPORT (Continued)**

### **CHARITABLE DONATIONS**

The company made charitable donations of £948 (2012: £2,347) during the year. Charitable donations of £498 (2012: £477) were made to local charities and £450 (2012: £1,870) to national charities.

### **RESULTS AND DIVIDENDS**

The company has not declared a dividend (2012: £Nil).

The profit for the year after taxation of £1,086,000 (2012: profit of £742,000) has been transferred to reserves.

### **DIRECTORS' INDEMNITIES**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

# STANTON BONNA CONCRETE LIMITED

## DIRECTORS' REPORT (Continued)

### DIRECTORS' RESPONSIBILITIES STATEMENT

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

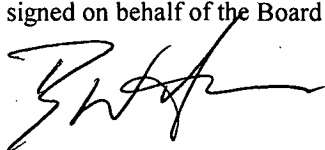
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

*11<sup>th</sup> June 2014*



B WILSON  
Secretary

### Registered Number

2263795

### Registered Office

Littlewell Lane  
Stanton-by-Dale  
Ilkeston  
Derbyshire  
DE7 4QW

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON BONNA CONCRETE LIMITED**

We have audited the financial statements of Stanton Bonna Concrete Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON BONNA CONCRETE LIMITED (continued)**

### **Matters on which we are required to report by exception**

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

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

*Alistair Pritchard FCA*

Alistair Pritchard FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Nottingham, UK

*11 June 2014*



# STANTON BONNA CONCRETE LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2013

	Note	2013 £'000	2012 £'000
<b>TURNOVER</b>	1	19,547	18,928
Cost of sales		<u>(13,832)</u>	<u>(13,884)</u>
<b>GROSS PROFIT</b>		5,715	5,044
Distribution costs		<u>(2,865)</u>	<u>(2,739)</u>
Administration expenses		<u>(1,353)</u>	<u>(1,141)</u>
<b>OPERATING PROFIT</b>	2	1,497	1,164
Interest payable and similar charges	4	<u>(109)</u>	<u>(178)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,388	986
Tax on profit on ordinary activities	5	<u>(302)</u>	<u>(244)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12,13	<u><u>1,086</u></u>	<u><u>742</u></u>

All the above results derive from continuing operations.

# STANTON BONNA CONCRETE LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		1,086	742
Actuarial loss relating to the pension scheme	16	(72)	(275)
Deferred tax recognised on the pension deficit	10	945	-
<b>Total recognised gains and losses recognised since last annual report and financial statements</b>		<b>1,959</b>	<b>467</b>

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 31 December 2013

	2013 £'000	2012 £'000
Reported profit on ordinary activities before taxation	1,388	986
Difference between historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	57	57
<b>Historical cost profit on ordinary activities before taxation</b>	<b>1,445</b>	<b>1,043</b>
<b>Historical cost profit for the year after taxation and dividends</b>	<b>1,143</b>	<b>799</b>

# STANTON BONNA CONCRETE LIMITED

## BALANCE SHEET 31 December 2013

	Note	2013 £'000	2012 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	4,516	4,705
<b>CURRENT ASSETS</b>			
Stocks	6	2,559	2,928
Debtors	7	5,450	5,152
Cash at bank and in hand		2,618	837
		<u>10,627</u>	<u>8,917</u>
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(6,225)</u>	<u>(5,508)</u>
<b>NET CURRENT ASSETS</b>		<u>4,402</u>	<u>3,409</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,918	8,114
<b>PROVISIONS FOR LIABILITIES</b>	10	<u>(23)</u>	<u>(13)</u>
<b>NET ASSETS EXCLUDING PENSION DEFICIT</b>		8,895	8,101
<b>PENSION DEFICIT</b>	16	<u>(3,781)</u>	<u>(4,946)</u>
<b>NET ASSETS INCLUDING PENSION DEFICIT</b>		<u>5,114</u>	<u>3,155</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	3,334	3,334
Profit and loss account	12	(685)	(2,701)
Revaluation reserve	12	2,465	2,522
<b>SHAREHOLDERS' FUNDS</b>	13	<u>5,114</u>	<u>3,155</u>

These financial statements of Stanton Bonna Concrete Limited (Registration Number 2263795) were approved by the Board of Directors and authorised for issue on

11<sup>th</sup> June 2014

Signed on behalf of the Board of Directors



D G Woolley

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2013**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current and preceding year.

**Accounting convention and going concern**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of land and buildings and on a going concern basis after due consideration of the principal risks and uncertainties as disclosed in the Strategic Report, and in accordance with the Companies Act 2006.

In reaching this conclusion the Board have considered the financial position of the Company and its funding facilities. The Board has undertaken a review of the Company's forecasts and associated risks and sensitivities.

For the reasons set out in the Directors' report, the Board have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason have adopted the going concern basis in preparing the financial statements.

**Turnover**

Turnover represents amounts receivable from external customers for goods at delivered prices provided in the normal course of business, net of trade discounts and VAT. Turnover is recognised on despatch of goods.

**Segmental information**

An analysis of turnover between markets and geographical segment is not provided as all of the company's sales relate to its principal activity which is conducted substantially in the UK.

**Tangible fixed assets**

The company's policy is to carry all assets at historical cost, except freehold land and buildings, which are accounted for under a revaluation policy in accordance with FRS 15 Tangible Fixed Assets. This involves performing full valuations at least every five years and an interim valuation in year three. Interim valuations in years one, three and five are carried out where it is likely that there has been a material change in value. The last full valuation was at 31 December 2011.

Any valuation surplus or deficit over book value is transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same asset is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

**Depreciation**

Freehold land is not depreciated. Other tangible fixed assets are depreciated on a straight line basis, over their estimated useful lives as follows:

Freehold buildings	10-25 years
Major manufacturing equipment	2-25 years
Other plant and equipment	2-15 years
Office equipment	2-10 years
Mobile plant and motor vehicles	2-10 years
Loose plant, tools and moulds	2-5 years

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**Year ended 31 December 2013**

**1. ACCOUNTING POLICIES (Continued)**

**Foreign currency**

Transactions in overseas currencies are translated at the exchange rate ruling at the date of transaction or, where forward cover contracts have been arranged, at the contracted rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date or at a contracted rate if applicable and any exchange differences arising are taken to the profit and loss account.

**Stocks**

Stocks and work in progress are stated at the lower of cost or net realisable value.

Cost represents the cost of materials and, in the case of manufactured products, includes the cost of direct labour and production overheads based on normal levels of activity.

**Pension costs**

The company operates a defined benefit scheme and a defined contribution scheme. The defined benefit scheme is closed to new members.

For the defined contribution scheme, pension costs are charged to the profit and loss account as they arise.

*For the defined benefit scheme the amounts charged to operating profit are the current service costs (including the PPF levy) and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.*

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond and equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. *The resulting defined benefit asset or liability, net of the related deferred tax if recognised, is presented separately after other net assets on the face of the balance sheet.*

**Taxation**

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

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Operating leases**

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the lease.

**Cash flow statement**

The company is a wholly owned subsidiary that is consolidated into the financial statements of its ultimate parent company, Consolis SAS, which are publicly available, therefore no cash flow statement is presented.

# STANTON BONNA CONCRETE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

### 2. OPERATING PROFIT

Operating profit is after charging:	2013 £'000	2012 £'000
Depreciation		
Owned assets	468	497
Fees payable to the company's auditor for the audit of the company's annual financial statements	21	21
Fees payable to the company's auditor for other services		
Tax services	10	10
Operating lease charges		
Plant and machinery	70	69
	<u>          </u>	<u>          </u>

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £'000	2012 £'000
<b>Directors' remuneration</b>		
Aggregate emoluments	29	135
	<u>          </u>	<u>          </u>

A director was remunerated through this company for part of the current year (2012: 1 director for the full year). The remaining directors are remunerated through other group companies and it is not practicable to apportion an element of their remuneration to this company.

A director had benefits accruing under a defined benefit pension scheme for part of the current year (2012: 1 director for the full year).

	2013 Number	2012 Number
<b>Average number of persons employed</b>		
Production	100	101
Administration	26	24
	<u>          </u>	<u>          </u>
	126	125
	<u>          </u>	<u>          </u>
	£'000	£'000
<b>Staff costs related to the year</b>		
Wages and salaries	3,788	3,614
Social security costs	375	350
Pension costs	434	386
	<u>          </u>	<u>          </u>
	4,597	4,350
	<u>          </u>	<u>          </u>

# STANTON BONNA CONCRETE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Bank overdrafts	1	9
Group borrowings	7	17
	<u>8</u>	<u>26</u>
Net finance charges on pension scheme	101	152
	<u>109</u>	<u>178</u>

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year	2013 £'000	2012 £'000
<b>Current Taxation</b>		
United Kingdom corporation tax at 23.25% (2012: 24.5%) based on the profit for the year	272	244
Prior year adjustment	30	-
	<u>302</u>	<u>244</u>
<b>Total current tax (note 5b)</b>	302	244
<b>Deferred taxation</b>		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
<b>Total deferred tax</b>	-	-
<b>Tax on profit on ordinary activities</b>	<u>302</u>	<u>244</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

**b) Factors affecting the tax charge for the year**

The actual tax charge for the current year is different than the standard rate for reasons set out in the following reconciliation:

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Profit on ordinary activities before tax	1,388	986
Tax on profit on ordinary activities at standard rate	323	242
<b>Effects of:</b>		
Expenses and charges not deductible for tax purposes	4	5
Fixed asset timing differences	19	39
Other timing differences	(74)	(42)
Prior year adjustment	30	-
<b>Current tax charge for the year (note 5a)</b>	<b>302</b>	<b>244</b>

A reduction in the standard rate of corporation tax from 24% to 23% was effective from 1 April 2013. Therefore taxation is calculated at a blended rate of 23.25% in these financial statements. Finance Act 2013 provides for a further reduction in the standard rate of tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015. This change was substantively enacted on 2 July 2013. These reduced rates have been reflected in the calculation of deferred tax as they were substantively enacted at the balance sheet date.

**6. STOCKS**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Raw materials and consumables	650	693
Work in progress	72	72
Finished products	1,837	2,163
	<b>2,559</b>	<b>2,928</b>

There is no material difference between the balance sheet value of stocks and their replacement cost.

**7. DEBTORS: DUE WITHIN ONE YEAR**

	<b>2013</b> <b>£'000</b>	<b>2012</b> <b>£'000</b>
Trade debtors	3,756	3,195
Amounts owed by related companies	1,629	1,843
Other debtors	3	8
Prepayments and accrued income	62	106
	<b>5,450</b>	<b>5,152</b>



# STANTON BONNA CONCRETE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade creditors	2,364	1,988
Amounts owed to related companies	2,603	2,538
Corporation tax	262	161
Other taxation and social security	325	265
Accruals and deferred income	669	556
Other creditors	2	-
	<u>6,225</u>	<u>5,508</u>

Amounts owed to related companies includes £2,000,000 (2012: £2,000,000) consisting of short-term loans from group companies. These loans are unsecured, and are repayable at the option of the lender at each quarterly review.

### 9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery, equipment and vehicles £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2013	4,068	11,808	15,876
Additions	11	309	320
Disposals	-	(256)	(256)
At 31 December 2013	<u>4,079</u>	<u>11,861</u>	<u>15,940</u>
<b>Accumulated depreciation</b>			
At 1 January 2013	149	11,022	11,171
Charge for the year	153	315	468
Disposals	-	(215)	(215)
At 31 December 2013	<u>302</u>	<u>11,122</u>	<u>11,424</u>
<b>Net book value</b>			
At 31 December 2013	<u>3,777</u>	<u>739</u>	<u>4,516</u>
At 31 December 2012	<u>3,919</u>	<u>786</u>	<u>4,705</u>

Land and buildings includes land at a value of £2,100,000 (2012: £2,100,000) on which no depreciation is charged.

Freehold land and buildings were revalued at estimated realisation price of the freehold interest in the properties on the basis of existing use as at 31 December 2011, following a valuation by Innes England Limited, Chartered Surveyors in May 2012.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**9. TANGIBLE FIXED ASSETS (CONTINUED)**

**Revaluation of land and buildings**

The company's freehold land and buildings were revalued at 31 December 2011. If the amount of these revalued assets, included in the financial statements at net book value of £3,777,000, had been determined in accordance with the historic cost accounting convention they would have been included as:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Cost	3,463	3,463
Accumulated depreciation	(2,252)	(2,156)
Net book value at 31 December	<u>1,211</u>	<u>1,307</u>

**10. PROVISIONS FOR LIABILITIES**

	<b>At 1 January 2013 £'000</b>	<b>Utilised £'000</b>	<b>Charged/ (credited) in the year £'000</b>	<b>At 31 December 2013 £'000</b>
Claims provisions	<u>13</u>	<u>(56)</u>	<u>66</u>	<u>23</u>

The claims provision is expected to be utilised by 31 December 2014.

The amounts of deferred taxation provided in the financial statements and the potential amounts not provided are as follows:

	<b>Provided 2013 £'000</b>	<b>Not provided 2013 £'000</b>	<b>Provided 2012 £'000</b>	<b>Not Provided 2012 £'000</b>
Pension deficit	(945)	-	-	(1,138)
Depreciation in excess of capital allowances	-	(7)	-	(42)
Other timing differences	-	(20)	-	(24)
	<u>(945)</u>	<u>(27)</u>	<u>-</u>	<u>(1,204)</u>

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. A deferred tax asset in respect of timing differences has not been recognised due to the uncertainties of the current economic environment.

A deferred tax asset in respect of the pension deficit is recognised and is disclosed net of the pension deficit in the Balance Sheet.

# STANTON BONNA CONCRETE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 December 2013

### 11. CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
<b>Allotted and fully paid</b>		
3,334,000 ordinary shares of £1 each	3,334	3,334

### 12. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	2,522	(2,701)	(179)
Profit for the financial year	-	1,086	1,086
Actuarial loss relating to pension scheme	-	(72)	(72)
Deferred tax amounts recognised	-	945	945
Realised revaluation surplus	(57)	57	-
Balance at 31 December 2013	2,465	(685)	1,780

### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	1,086	742
Other recognised gains and (losses) relating to the year	873	(275)
<b>Net increase to shareholders' funds</b>	1,959	467
Opening shareholders' funds	3,155	2,688
<b>Closing shareholders' funds</b>	5,114	3,155

### 14. CAPITAL COMMITMENTS

There were capital commitments contracted for at 31 December 2013 of £nil (2012: £22,000) for plant, machinery, equipment and vehicles.

### 15. CONTINGENT LIABILITIES

At 31 December 2013 there were no outstanding performance bonds (2012: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013****16. RETIREMENT BENEFIT SCHEMES**

A significant number of the company's employees are members of the Stanton Bonna Pension Plan. This is a defined benefit pension scheme which is funded by Stanton Bonna Concrete Limited and its employees. The scheme was closed to new members on 1 April 2003, and a defined contribution scheme was set up. There were a small number of members of the defined contribution scheme as at 31 December 2013.

Contributions to the defined benefit pension scheme are made to a pension trust whose assets are held in a separate trustee administered fund. The contributions to the scheme are determined by a qualified actuary using the projected unit method. The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members approach retirement.

The most recent full actuarial valuation was at 5 April 2012, and updated to 31 December 2013 by a qualified actuary. The pension charge in the year in respect of defined benefit pension scheme was £420,000 (2012: £375,000) and £14,000 (2012: £11,000) in respect of defined contribution pension schemes.

The main assumptions used for the actuarial valuation were:

	<b>2013</b>	<b>2012</b>
Key assumptions used:		
Discount rate	4.50%	4.40%
Expected return on scheme assets	5.67%	5.08%
Expected rate of salary increases	4.05%	3.90%
Future pension increases	3.30%	2.90%
Inflation (RPI)	3.30%	2.90%

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**16. RETIREMENT BENEFIT SCHEMES (CONTINUED)**

**Mortality assumptions:**

Consideration has been given within the past three years to the likely mortality assumptions used in the valuation of the Company's defined benefit schemes. These considerations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	<b>2013</b>	<b>2012</b>
Retiring today:		
Males	86.4	86.4
Females	89.2	89.2
Retiring in 20 years:		
Males	88.7	88.7
Females	91.6	91.6

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Assumption</b>	<b>Change in assumption</b>	<b>Impact on scheme liabilities</b>
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 9.7%
Rate of inflation	Increase/decrease by 0.5%	Decrease/increase by 9.3%
Rate of salary growth	Increase/decrease by 0.5%	Decrease/increase by 2%
Rate of mortality	Increase by 1 year	Increase by 2.5%

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	420	375
Interest cost	909	909
Expected return on scheme assets	(808)	(757)
	<b>521</b>	<b>527</b>

Of the charge for the year, £246,000 (2012: £216,000) has been included in cost of sales and £174,000 (2012: £159,000) has been included in administrative expenses.

Actuarial losses of £72,000 (2012: loss of £275,000) have been reported in the statement of total recognised gains and losses.

The actual return on scheme assets was £1,397,000 (2012: £1,726,000).

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is £4,306,000 (2012: £4,234,000).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**16. RETIREMENT BENEFIT SCHEMES (CONTINUED)**

The amount included in the balance sheet arising from the company's obligations in respect of its defined benefit retirement scheme is as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligations	(22,104)	(20,801)
Fair value of scheme assets	17,378	15,855
<b>Deficit in scheme</b>	<b>(4,726)</b>	<b>(4,946)</b>
Deferred tax thereon	945	-
<b>Net liability disclosed in the Balance Sheet</b>	<b>(3,781)</b>	<b>(4,946)</b>

Movements in the present value of defined benefit obligations were as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	20,801	19,174
Service cost	420	375
Interest cost	909	909
Contributions from scheme members	101	102
Actuarial gains and losses	661	1,244
Benefits paid including PPF levy	(788)	(1,003)
At 31 December	22,104	20,801

Movements in the fair value of scheme assets were as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	15,855	14,389
Expected return on scheme assets	808	757
Actuarial gains and losses	589	969
Contributions from the sponsoring companies	813	641
Contributions from scheme members	101	102
Benefits paid including PPF levy	(788)	(1,003)
At 31 December	17,378	15,855

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**16. RETIREMENT BENEFIT SCHEMES (CONTINUED)**

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows:

	Expected return		Fair value of assets	
	2013 %	2012 %	2013 %	2012 %
Equity instruments	6.70	5.80	61	60
Debt instruments	4.10	4.00	38	40
Other assets	0.50	0.50	1	-
	<u>5.67</u>	<u>5.08</u>	<u>100</u>	<u>100</u>

To develop the expected long-term rate of return on assets assumption, the company considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class, less 0.4%pa (2012: 0.4%pa) to reflect administrative expenses (excluding the PPF levy which is allowed for in the service cost).

The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of the 5.08% assumption for the year ended 31 December 2012 and 5.67% for the year ending 31 December 2013.

The five-year history of experience adjustments is as follows:

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of defined benefit obligations	(22,104)	(20,801)	(19,174)	(18,146)	(17,106)
Fair value of scheme assets	17,378	15,855	14,389	14,211	12,556
Deficit in the scheme	<u>(4,726)</u>	<u>(4,946)</u>	<u>(4,785)</u>	<u>(3,935)</u>	<u>(4,550)</u>
Experience adjustments on scheme liabilities	-	880	289	-	516
Percentage of scheme liabilities (%)	-	(4%)	(2%)	-	(3%)
Difference between actual and expected return on scheme assets					
Amount	589	969	(780)	640	1,296
Percentage of scheme assets (%)	<u>3%</u>	<u>6%</u>	<u>(5%)</u>	<u>5%</u>	<u>10%</u>

The company will pay contributions of 31.6% of pensionable earnings (including an allowance for expenses) monthly as well as lump sum contributions of £600,000 per year until 31 March 2027.

Members' contributions to the plan are 7% of pensionable earnings.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Year ended 31 December 2013**

**16. RETIREMENT BENEFIT SCHEMES (CONTINUED)**

The most recent triennial valuation of the company's pension scheme for funding purposes was performed as at 5 April 2012. Under the funding schedule agreed with the scheme trustees, the company is aiming to eliminate the current deficit over a period of 15 years. The company monitors funding levels annually and the funding schedule will be reviewed between the company and the trustees every 3 years following the triennial valuation. The next triennial valuation is due as at 5 April 2015. The Company will then reconsider the contributory rates with the trustees to eliminate any deficit revealed by that valuation.

**17. OPERATING LEASE COMMITMENTS**

At 31 December 2013, the company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>2013</b>	<b>2012</b>
	<b>Other</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>
<b>Lease which expire:</b>		
Within one year	26	43
Within two and five years	48	30
	<u>74</u>	<u>73</u>

**18. PARENT UNDERTAKINGS AND OWNERSHIP**

At the balance sheet date, the company was a 100% subsidiary of Bonna Sabla SA, a company incorporated in France.

The ultimate controlling party is LBO France (a French Capital Fund) – a private equity firm based in Paris, France, and the ultimate parent undertaking is Consolis SAS, a company incorporated in France.

A copy of the consolidated financial statements of Consolis SAS, the smallest and largest group in which the results of the company are included, can be obtained from The Secretary at 31, Place Ronde, Valmy, 92986, La Defense, Paris, France.

**19. RELATED PARTY TRANSACTIONS**

During the current and prior years, the company was a 100% subsidiary of the Consolis Group and as such has adopted the FRS 8 exemption for wholly owned subsidiaries.