

COSENTINO UK LIMITED

COSENTINO UK LIMITED

Registered number: 04331797

Strategic Report, Directors' report
and financial statements
FOR THE YEAR ENDED 31 DECEMBER 2014

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COSENTINO UK LIMITED

COMPANY INFORMATION

DIRECTORS	Mr Eduardo Martinez-Cosentino Alfonso
	Mr Pedro Javier Parra Uribe
	Mr Christophe Gontier
COMPANY NUMBER	04331797
REGISTERED OFFICE	Unit 10 Bartley Point Osborn Way Hook Hampshire RG27 9GX
AUDITOR	KPMG LLP
	Chartered Accountants and Statutory Auditor 1 Forest Gate Brighton Road West Sussex RH11 9PT

COSENTINO UK LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

BUSINESS REVIEW

During 2014 the company benefitted from positive market trends towards our products, achieving revenue growth of 36% over 2013, from £22,579,000 to £30,792,000. We believe the company continues to have excellent prospects for the future years. The company has achieved a profitable result during the year as a result of increased revenue which has followed through to the bottom line, which has been supported by the improved economy increasing performance. 2015 has started positively shown through our May 2015 Management accounts, being 8% over the sales budget and 30% over the prior year sales.

PRINCIPAL RISKS AND UNCERTAINTIES FACING COMPANY

The main challenge faced by the company is the success of the launch of a new product line. Additionally, there is political instability in some European countries which could affect the economy growth. Further, there is the inherent risk of forex gains/losses associated with transacting in a foreign currency.



Mr C Gontier

Director

23rd July 2015

Registered number: 04331797

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year under review was the sale and distribution of stone worktops and stone slabs.

RESULTS

The profit for the year, after taxation, amounted to £2,315k (2013 – £930k).

COSENTINO UK LIMITED

DIRECTORS

The directors who served during the year were:

Mr Eduardo Martinez-Cosentino Alfonso
Mr Pedro Javier Parra Uribe
Mr Christophe Gontier

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 23rd July 2015 and signed on its behalf.

REGISTERED OFFICE

Unit 10 Bartley Point
Osborn Way
Hook
Hampshire
RG27 9GX



Mr C Gontier

Director

Registered number: 04331797

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSENTINO UK LIMITED

We have audited the financial statements of Cosentino UK Limited for the year ended 31 December 2014 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the Strategic report and financial statements.

Matters on which we are required to report by exception

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

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

T.S. 

Timothy Rush (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants and Statutory Auditor
1 Forest Gate
Brighton Road
West Sussex
RH11 9PT

23rd July 2015

COSENTINO UK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover	2	30,792	22,579
Cost of sales		(22,932)	(16,137)
Gross profit		7,860	6,442
Administrative expenses		(5,996)	(5,382)
Operating profit	3	1,864	1,060
Interest receivable and similar income	7	82	136
Interest payable and similar charges	6	(231)	(266)
Profit on ordinary activities before taxation		1,715	930
Tax on profit on ordinary activities	8	600	-
Profit for the financial year	15	2,315	930

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

COSENTINO UK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2014

	<i>Note</i>	2014 £000	2013 £000	£000
Fixed assets				
Tangible assets	9	772		1,012
Intangible assets		4		4
		<hr/>		<hr/>
		776		1,016
Current assets				
Stocks	10	7,799	7,237	
Debtors	11	6,853	5,543	
Cash at bank and in hand		315	199	
		<hr/>	<hr/>	
Creditors: amounts falling due within one year	12	14,967 (4,753)	12,979 (5,511)	
		<hr/>	<hr/>	
Net current assets		10,214		7,468
		<hr/>		<hr/>
Total assets less current liabilities		10,990		8,484
		<hr/>		<hr/>
Creditors: amounts falling due after more than one year		(5,235)		(5,044)
		<hr/>		<hr/>
Net assets		5,755		3,440
		<hr/>		<hr/>
Called up share capital	14	9,984		9,984
Profit and loss account	15	(4,229)		(6,544)
		<hr/>		<hr/>
Equity shareholders' funds	16	5,755		3,440
		<hr/>		<hr/>

These financial statements were approved and authorised by the board and were signed on its behalf on



Mr C Gontier

Director

Registered number: 04331797

The notes on pages 8 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under historical cost convention and in accordance with applicable accounting standards.

The Directors have prepared cash flow forecasts and budgets for 12 months from the date of approval for these financial statements. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.2 Cash flow

The company, being a subsidiary undertaking where 100% of the voting right are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

Turnover is recognised at the point of despatch from the company's premises.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and building	-	life of lease
Plant and vehicles	-	25% straight line
Fixtures, equipment and database	-	25% straight line

1.5 Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES *(continued)*

1.7 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

1.8 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchanges ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

1.9 Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2 TURNOVER

The whole of the turnover is attributable to the principal activity of the sale and distribution of stone worktops and stone slab. All turnovers arose within the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- Owned by the company	375	383
Auditor's Remuneration	13	15
Operating lease rentals:		
- Other operating leases	962	865
Difference on foreign exchange	7	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	2,072	1,809
Social security costs	220	188
Other pension cost	87	44
	<hr/>	<hr/>
	2,379	2,041
	<hr/>	<hr/>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Sales and administration	62	55
	<hr/>	<hr/>

5 DIRECTORS' REMUNERATION

	2014 £000	2013 £000
Emoluments (Mr Gontier)	204	174
Company pension contributions to defined contribution pension schemes	66	10
	<hr/>	<hr/>

6 INTEREST PAYABLE

	2014 £000	2013 £000
On other loans	231	266
	<hr/>	<hr/>

7 INTEREST RECEIVABLE

	2014 £000	2013 £000
On other loans	82	136
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8 TAXATION

	2014 £000	2013 £000
UK corporation tax charge on profit for the year	600	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 22% (2013 – 23%).

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,715	930
Current tax at 22% (23% 2013)	377	214
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances		45
Loss on disposal of fixed assets	-	-
Creation of tax losses	-	-
Utilisation of brought forward losses	(377)	(259)
Total current tax charge (see above)	-	-
Deferred tax (note 13)	600	-
Total tax credit of the year	600	-

Factors that may affect future current and total tax charges

The UK corporation tax rate will reduce to 20% by 2015 in two phases: reduction from 22% to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015). These will reduce the company's future current tax charge accordingly.

The Company has significant accumulated tax losses available to offset against profits of £3.86m, originated in previous years, and is therefore unlikely to incur a tax charge in the current year and in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

9 TANGIBLE FIXED ASSETS

	Short Leasehold Property £000	Plant and vehicles £000	Fixtures, Equipment and Database £000	Total £000
<i>Cost</i>				
At 1 January 2014	187	1,619	643	2,449
Additions	17	105	13	135
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	204	1,724	656	2,584
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2014	102	960	375	1,437
Charge for year	40	227	108	375
Retirement Depreciation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	142	1,187	483	1,812
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2014	62	537	173	772
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	85	659	268	1,012
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

10 STOCKS

	2014	2013
	£000	£000
Finished goods and goods for resale	<u>7,799</u>	<u>7,237</u>

11 DEBTORS

	2014	2013
	£000	£000
Trade debtors	5,753	4,614
Amounts owed by group undertakings	63	318
Other debtors	799	290
Prepayments and accrued income	238	321
	<u>6,853</u>	<u>5,543</u>

12 CREDITORS

Amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	417	447
Amounts owed to group undertakings	2,996	4,038
Social security and other taxes	1,146	901
Other creditors	194	125
	<u>4,753</u>	<u>5,511</u>

13 DEFERRED TAX

The elements of deferred taxation are as follows:

	2014	2013
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	-	45
Tax Losses	<u>600</u>	<u>919</u>
Deferred tax asset	<u>600</u>	<u>964</u>

A deferred tax asset of £599,874 has been recognised, as profit forecasts for the following 5 years indicate that all the non-offset losses (amounting to £4,602,014 at the end of tax year 2013, and estimated to amount to £2,887,439 at the end of tax year 2014) are reasonably expected to be totally offset within such 5-year period.

COSENTINO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14 SHARE CAPITAL

	2014	2013
	£000	£000
<i>Allotted, called up and fully paid</i>		
9,984,329 Ordinary shares of £ 1 each	9,984	9,984

15 RESERVES

	Profit and loss account £000
At 1 January 2014	(6,544)
Profit for the year	2,315
At 31 December 2014	(4,229)

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014	2013
	£000	£000
Opening shareholders' funds	3,440	2,510
Profit for the year	2,315	930
Closing shareholders' funds	5,755	3,440

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

17 PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £87k (2013- £44k).

There were no outstanding amounts due to or from the pension scheme at the year end (2013 - £NIL).

18 OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
Within 1 year	861	787
Between 2 and 5 years	707	347
After more than 5 years	520	151
	<hr/>	<hr/>

19 RELATED PARTY TRANSACTIONS

As 100% of the Company's voting rights are controlled within the group headed by Cosentino SA, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Cosentino SA, within which this company is included, can be obtained from the address in note 20.

20 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Cosentino SA which is the ultimate parent company incorporated in Spain.

The largest group in which the results of the Company are consolidated is that headed by Cosentino SA, incorporated in Spain. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public and may be obtained through the company's registered office at Ctra. A334 Baza-Huerca Overa, km 59 04850 Cantoria (Almería) Spain.