

Company Registration No. 07446588 (England and Wales)

Quiligotti Terrazzo Tiles Limited
Financial Statements
For The Year Ended 31 December 2018

QUILIGOTTI TERRAZZO TILES LIMITED

COMPANY INFORMATION

Directors	Mr S J Clark Mr D M Clough Mr D W Gratrix Mr D A McCartney
Secretary	Mr S J Clark
Company number	07446588
Registered office	Rake Lane PO Box 4 Clifton Junction Manchester M27 8LP
Auditors	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY

QUILIGOTTI TERRAZZO TILES LIMITED

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QUILIGOTTI TERRAZZO TILES LIMITED

BALANCE SHEET **AS AT 31 DECEMBER 2018**

		2018	2017
	Notes	£	£
Current assets			
Stocks		587,569	585,247
Debtors	3	456,224	797,203
Cash at bank and in hand		643,176	724,311
		<u>1,686,969</u>	<u>2,106,761</u>
Creditors: amounts falling due within one year	4	(786,535)	(978,172)
Net current assets		900,434	1,128,589
Creditors: amounts falling due after more than one year	5	(9,192)	(89,596)
Net assets		<u>891,242</u>	<u>1,038,993</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss reserves		891,241	1,038,992
Total equity		<u>891,242</u>	<u>1,038,993</u>

The directors of the company have elected not to include a copy of the Directors' Report and profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17 June 2019 and are signed on its behalf by:

Mr D M Clough
Director

Company Registration No. 07446588

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Quiligotti Terrazzo Tiles Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited which is the smallest and largest group into which these financial statements are consolidated. A. Andrews & Sons (Marbles & Tiles) Limited has a registered office of 324-330 Meanwood Road, Leeds, LS7 2JE.

1.2 Going concern

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

1.3 Turnover

Turnover represents amounts receivable for terrazzo flooring products net of VAT and trade discounts, and is recognised on delivery of goods.

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

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.5 Cash at bank and in hand

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

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Employee benefits

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

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

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

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2017 - 33).

3 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	342,774	533,061
Amounts owed by group undertakings	78,160	178,634
Other debtors	35,290	85,508
	<u>456,224</u>	<u>797,203</u>

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	355,339	441,768
Taxation and social security	149,542	261,464
Other creditors	281,654	274,940
	<u>786,535</u>	<u>978,172</u>

Within other creditors is a balance of £80,405 (2017 - £105,466) relating to hire purchase liabilities, these are secured against the assets held by the parent company Kengate Holdings Limited.

5 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	9,192	89,596
	<u>9,192</u>	<u>89,596</u>

Within other creditors is a balance of £9,192 (2017 - £89,596) relating to hire purchase liabilities, these are secured against the assets held by the parent company Kengate Holdings Limited.

6 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	80,405	105,466
In two to five years	9,192	89,596
	<u>89,597</u>	<u>195,062</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery originally held by the former immediate parent company, QTL Holdings Limited, but now held by the new immediate parent company, Kengate Holdings Limited, following a group restructure and asset hive up.

Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

7 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2018	2017
£	£
246,940	341,162
<u>246,940</u>	<u>341,162</u>

8 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018	2017	2018	2017
	£	£	£	£
Entities with control, joint control or significant influence over the company	954,511	1,437,139	420,946	366,491
Other related parties	87,610	41,141	-	-
	<u>954,511</u>	<u>1,437,139</u>	<u>420,946</u>	<u>366,491</u>

The following amounts were outstanding at the reporting end date:

	2018
	Balance
	£
Amounts owed by related parties	
Entities with control, joint control or significant influence over the company	66,470
Other related parties	24,572
	<u>66,470</u>
	2017
	Balance
	£
Amounts owed in previous period	
Entities with control, joint control or significant influence over the company	178,634
Other related parties	15,575
	<u>178,634</u>

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

9 Parent company

The immediate parent company is Kengate Holdings Limited, a company registered in England and Wales with registered office of Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited, a company registered in England and Wales with registered office of 324-330 Meanwood Road, Leeds, LS7 2JE. A Andrews & Sons (Marbles & Tiles) Limited is the smallest and largest group into which the company is consolidated.

QUILIGOTTI TERRAZZO TILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Matthew Grant.
The auditor was Garbutt & Elliott Audit Limited.
The audit report was signed on 18 June 2019

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.