Company Registration No. 04969216

Dennis Eagle Group Limited

Report and Financial Statements

31 December 2013

Dennis Eagle Group Limited

REPORT AND FINANCIAL STATEMENTS 2013

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Dennis Eagle Group Limited

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Roca Enrich
M Herrera Lasso
M J Molesworth
R A Jackson

SECRETARY

R A Jackson

REGISTERED OFFICE

Heathcote Industrial Estate
Heathcote Way
Warwick
CV34 6TE

BANKERS

National Westminster Bank plc
Guildford

SOLICITORS

Pinsent Masons
Solicitors
Birmingham

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory
Auditor
Birmingham, United Kingdom

DIRECTORS' REPORT

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

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption of the Companies Act 2006. As a result of the small companies' exemption, the company is not required to prepare a Strategic Report.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company and the directors expect this to continue in the year ahead.

RESULTS

The loss for the year after taxation amounted to £3,396,000 (2012: £849,000). The directors do not recommend the payment of a dividend (2012: £nil).

DIRECTORS

The directors who served during the year and subsequently were as follows:

R Roca Enrich	
M Herrera Lasso	(appointed 30 June 2013)
M J Molesworth	
N K Thoday	(resigned 30 June 2013)
R A Jackson	
S Roca Enrich	(resigned 30 June 2013)
J Vilagrasa Ibarz	(resigned 30 June 2013)

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by a subsidiary company during the year.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political contributions during the period. Donations to UK charities amounted to £Nil (2012: £nil).

GOING CONCERN

During the year the company and the group undertook a refinancing exercise which was completed on 22 April 2013. Dennis Eagle Group Limited, and hence the Ros Roca RCV Limited Group, is now financed by a bank loan which expires in 2018. As part of the banking facilities, the Group is required to meet four covenants in relation to cashflow cover, interest cover, adjusted leverage and capital expenditure, which are tested on a quarterly basis, with the exception of the capital expenditure limit which is tested on an annual basis. The Group is currently trading within all of its banking covenants and its forecasts, taking into account reasonably possible changes in trading performance, show that is should be able to operate within its current facility and comply with banking covenants for the foreseeable future.

Following the refinancing the directors have a reasonable expectation that the company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

AUDITOR

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

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

R A Jackson
Secretary
1 May 2014
Registered Office: Heathcote Way, Heathcote Industrial Estate, Warwick, CV34 6TE

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 the 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; and
- make judgements and estimates that are reasonable and prudent; and
- 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 proper 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENNIS EAGLE GROUP LIMITED

We have audited the financial statements of Dennis Eagle Group Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 13. 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 loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.

Jane Whitlock (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom

1 May 2014

Dennis Eagle Group Limited

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2013

	Note	2013 £000	2012 £000
Administration Expenses		(665)	(8)
OPERATING LOSS		(665)	(8)
Net interest payable and similar charges	4	(2,731)	(841)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(3,396)	(849)
Tax on loss on ordinary activities	5	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	11	(3,396)	(849)

All activities derive from continuing operations.

There are no recognised gains or losses in either year other than the profit for that year. Accordingly, no separate statement of total recognised gains and losses has been presented.

Dennis Eagle Group Limited

BALANCE SHEET
31 December 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
FIXED ASSETS					
Investments	6		29,647		29,647
CURRENT ASSETS					
Debtors	7	4,573		3,677	
		4,573		3,677	
CREDITORS: amounts falling due within one year	8	(584)		(35,386)	
NET CURRENT ASSETS/(LIABILITIES)			3,989		(31,709)
TOTAL ASSETS LESS CURRENT ASSETS/(LIABILITIES)			33,636		(2,062)
CREDITORS: amounts falling due after more than one year	9		(39,094)		-
NET LIABILITIES			(5,458)		(2,062)
CAPITAL AND RESERVES					
Called up share capital	10		15,050		15,050
Share premium account	11		950		950
Profit and loss account	11		(21,458)		(18,062)
SHAREHOLDERS' DEFICIT			(5,458)		(2,062)

The financial statements of Dennis Eagle Group Limited, registered number 4969216, were approved by the Board of Directors and authorised for issue on 1 May 2014.

Signed on behalf of the Board of Directors

M J Molesworth
Director

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently throughout the year and the preceding year. The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed going concern in the directors' report.

As the company is a wholly owned subsidiary of Ros Roca Group SL, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned entities which form part of their group. The company has also taken exemption from the requirement to prepare group accounts under s400 of the Companies Act 2006. The consolidated financial statements of Ros Roca Dennis RCV Limited, within which this company is included, can be obtained from the address given in note 13. These financial statements therefore present information about the company and not about its group.

Investments

Investments are held at cost less provision for any impairment in value.

Taxation

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

Cash flow

The company has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard 1 on the basis that the immediate parent undertaking has prepared a consolidated cash flow statement.

Debt and finance costs

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. Finance costs of debt are recognized in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £000	2012 £000
Loss on ordinary activities before taxation is stated after charging:		
Fees payable to the company's auditors for the audit of the company's annual accounts	5	5
Fees payable to the company's auditors for other services to the company:		
- Tax services	3	3
Total non audit fees	3	3

3. STAFF NUMBERS AND COSTS

There are no employees of Dennis Eagle Group Limited other than the directors, who receive no remuneration from the company for their services. Their remuneration is paid by other group companies and no part of their remuneration is attributable to this company. The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	2013 No	2012 No
Administration	5	6

4. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
Bank loans	2,465	-
Interest payable to non UK Ros Roca group undertakings	266	841
	2,731	841

5. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2013 £000	2012 £000
UK corporation tax		
Charge for the year	-	-

Factors affecting the tax charge for the current year:

The current tax credit for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
Current tax reconciliation		
Loss on ordinary activities before tax	(3,396)	(849)
Current tax credit at 23.25% (2012: 24.5%)	789	208
Effects of:		
Short term timing differences	142	-
Transfer pricing adjustments	205	245
Group relief not paid for	(1,136)	(453)
Total current tax credit	-	-

A change in the corporation tax rate from 26% to 24% was enacted in the year to be effective from 1 April 2012.

A further reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013 was substantively enacted on 3 July 2012. A provision for taxation has been made at 23.25%.

The government has also indicated that it intends to enact future reductions in the main rate of 1% each year down to 21% by 1 April 2014.

In 2012 a deferred tax asset was not recognised in respect of timing differences relating to unpaid related party interest, as there was insufficient evidence that the company would generate sufficient profits to utilise their value on reversal. The amount of the asset not recognised was £139,702.

6. INVESTMENTS

	£000
Cost & Net Book Value	
At 1 January and 31 December 2013	29,647

The principal wholly-owned subsidiary undertaking and its activities during the year was as follows:

	Principal activities	Country of incorporation
Dennis Eagle Limited	Sales and distribution company	England and Wales

7. DEBTORS

	2013 £000	2012 £000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	4,545	3,677
Prepayments and deferred income	28	-
	4,573	3,677

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £000	2012 £000
Amounts owed to non-UK Ros Roca group undertakings	-	6,936
Amounts owed to parent undertaking	-	28,442
Amounts owed to subsidiary undertaking	576	-
Accruals and deferred income	8	8
	584	35,386

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £000	2012 £000
Bank loans	42,000	-
Bank loans can be analysed as falling due:		
Between two and five years	42,000	-
	42,000	-
Less finance charges allocated to later periods	(2,906)	-
	39,094	-

Finance charges allocated to later periods represents debt issue costs capitalised and written off over the term of the loan.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONT.)

On 22 April 2013 the Ros Roca Dennis RCV Group refinanced the external debt in the business. A new financing arrangement was entered into by Dennis Eagle Group Limited, comprising a term facility of £42,000,000 and revolving credit facility of £8,000,000. Part of the new term facility was used to repay the outstanding existing loan balance of Ros Roca Dennis RCV Limited at this date of £30,570,000.

The five and a half year term facility is provided by BlueBay Direct Lending I Investments (Luxembourg) S.a.r.l and has a maximum limit of £42,000,000. The facility is due for repayment in a number of instalments during the term, with the final amount due in 2018. Interest is due at a rate of either 7.25% or 6.75% above LIBOR, dependent on the leverage of the group, plus mandatory costs.

The five and a half year revolving facility commitment is provided by The Royal Bank of Scotland Plc and has a maximum limit of £8,000,000, the amount drawn on this facility at the year end was £Nil. The facility is due for repayment in full on maturity in 2018. Interest is due at a rate of either 3.5% or 3% above LIBOR, dependent on the leverage of the group, plus mandatory costs.

There are four covenants to be met under the new debt facilities; Cash-Flow Cover, Interest Cover, Adjusted Leverage and Capital Expenditure limit.

10. CALLED UP SHARE CAPITAL

	2013 £000	2012 £000
Authorised		
Equity: 300,200,000 (2012: 300,200,000) ordinary shares of 5p each	15,010	15,010
Equity: 800,000 (2012: 800,000) A ordinary shares of 5p each	40	40
	15,050	15,050
Allotted, called up and fully paid		
Equity: 300,200,000 (2012: 300,200,000) ordinary shares of 5p each	15,010	15,010
Equity: 800,000 (2012: 800,000) A ordinary shares of 5p each	40	40
	15,050	15,050

Both classes of shares are held by Ros Roca Dennis RCV Limited and rank pari passu.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' deficit £000
At 1 January 2013	15,050	950	(18,062)	(2,062)
Loss for the year	-	-	(3,396)	(3,396)
At 31 December 2013	15,050	950	(21,458)	(5,458)

12. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies – the terms of the Company's long term debt contract with Bluebay requires two thirds of the term loan (£28,000,000) to be hedged over a two year period from the commencement of the loan. The fair value of the hedging arrangements at 31 December 2013 is estimated at £9,000 loss (2012: £nil).

13. CONTROLLING PARTY

The immediate parent company is Ros Roca Dennis RCV Limited. Copies of its consolidated financial statements which include this company may be obtained from Heathcote Way, Heathcote Industrial Estate, Warwick, CV34 6TE. This is the smallest group in which the company's results are consolidated.

Ros Roca Group S.L., a company registered in Spain, is regarded by the directors as being the company's ultimate controlling party. Copies of their group accounts may be obtained from Avda Cervera, s/n – Apartado 31, Tarrega 25300, Lleida, Spain. This is the largest group in which the company's results are consolidated.