

Company Registration No. 00816572 (England and Wales)

GRACO LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



GRACO LIMITED

COMPANY INFORMATION

Directors	K P Gallivan T R White
Secretary	J Nijssen
Company number	00816572
Registered office	Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
Bankers	ING Bank N.V. 8-10 Moorgate London EC2R 6DA

GRACO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 28 DECEMBER 2018

The directors are responsible for preparing 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 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

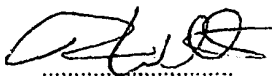
GRACO LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 28 DECEMBER 2018**

	Notes	28 December 2018		29 December 2017	
		£	£	£	£
Fixed assets					
Tangible assets	3		2,921		6,128
Current assets					
Debtors	4	1,556,716		1,184,322	
Cash at bank and in hand		6,747		4,860	
		<u>1,563,463</u>		<u>1,189,182</u>	
Creditors: amounts falling due within one year	5	<u>(511,581)</u>		<u>(651,203)</u>	
Net current assets			1,051,882		537,979
Total assets less current liabilities			<u>1,054,803</u>		<u>544,107</u>
Capital and reserves					
Called up share capital	6		100,001		100,001
Profit and loss reserves			954,802		444,106
Total equity			<u>1,054,803</u>		<u>544,107</u>

The directors of the company have elected not to include a copy of the income statement 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 22/04/18 and are signed on its behalf by:



T R White
Director

GRACO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 31 December 2016		100,001	18,548,588	(16,810,091)	1,838,498
Year ended 29 December 2017:					
Profit and total comprehensive income for the year		-	-	440,609	440,609
Dividends		-	-	(1,735,000)	(1,735,000)
Capital reductions	7	-	(18,548,588)	18,548,588	-
Balance at 29 December 2017		100,001	-	444,106	544,107
Year ended 28 December 2018:					
Profit and total comprehensive income for the year		-	-	510,696	510,696
Balance at 28 December 2018		100,001	-	954,802	1,054,803

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 DECEMBER 2018

1 Accounting policies

Company information

Graco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Central Square, 5th Floor, 29 Wellington Street, Leeds, LS1 4DL.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reporting period

The financial statements are drawn up for the 52 weeks to 28 December 2018 (the financial "year"). Comparative figures are for the 52 weeks to 29 December 2017.

Going concern

The company has net current assets of £1,051,882 (2017: £537,979). The directors, after making suitable enquiries, have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to prepare the financial statements on a going concern basis.

Turnover

Turnover represents commission earned on UK sales realised in Graco Distribution BVBA, the company's Belgium sister company. Commission received is included net of value added tax, and is recognised as turnover in the accounts of the company when Graco Distribution BVBA dispatches the products to the UK customers.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following basis:

Office equipment	25 - 33% straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 DECEMBER 2018

1 Accounting policies (Continued)

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 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 amounts owed by group undertakings, other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, 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.

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

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 DECEMBER 2018

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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 leased asset are consumed.

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 DECEMBER 2018

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons employed by the company during the year was 11 (2017 - 12).

3 Tangible fixed assets

	Office equipment £
Cost	
At 30 December 2017	37,504
Additions	10,472
Disposals	(32,505)
At 28 December 2018	<u>15,471</u>
Depreciation and impairment	
At 30 December 2017	31,376
Depreciation charged in the year	6,323
Eliminated in respect of disposals	(25,149)
At 28 December 2018	<u>12,550</u>
Carrying amount	
At 28 December 2018	<u>2,921</u>
At 29 December 2017	<u>6,128</u>

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	1,495,269	1,115,000
Other debtors	61,447	69,322
	<u>1,556,716</u>	<u>1,184,322</u>

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 DECEMBER 2018

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,704	13,343
Amounts due to group undertakings	214,946	175,935
Other taxation and social security	36,924	26,931
Other creditors	253,007	434,994
	<u>511,581</u>	<u>651,203</u>

6 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100,001 Ordinary shares of £1 each	100,001	100,001
	<u>100,001</u>	<u>100,001</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

7 Reserves

Share premium

On 14 March 2017, a special resolution was passed cancelling the share premium account, resulting in a capital reduction amounting to £18,548,588.

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

8 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	57,248	62,351
Between one and five years	40,680	87,576
	<u>97,928</u>	<u>149,927</u>

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 DECEMBER 2018

9 Parent company

The immediate parent undertaking is Graco BVBA, a company incorporated in Belgium.

The ultimate parent and controlling company is Graco Inc., a company incorporated in the State of Minnesota. Graco Inc. is the only parent undertaking to produce consolidated financial statements which include Graco Limited. The group financial statements can be obtained from 88 - 11th Avenue Northeast, Minneapolis, MN 55413, USA.

GRACO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 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 Paul Langhorn FCA.

The auditor was RSM UK Audit LLP.