

Formica Holdings Limited

Directors' report and financial
statements

Registered number 01004782
30 June 2018

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Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2018.

Principal activities and business review

The Company has not traded during the year.

During 2011 the Formica group reviewed and changed its strategic plan for the Indian market. The branch operation of the Company ceased trading in March 2012 and future trade is being conducted through another Formica group company. The directors do not intend to acquire a replacement trade.

Proposed dividend

The directors do not recommend the payment of a dividend (2017: £nil).

Directors

The directors who held office during the year and to the date of approval of the financial statements were as follows:

N L Mason

R S Pollington

P J Rush

(resigned 9 August 2017)

(appointed 28 October 2016)

Political and charitable contributions

The company made no political or charitable contributions during the year (2017:£nil)

Going Concern

During the year, Fletcher Building Limited (the Company's ultimate Parent entity) announced its intention to divest its shareholding in the global Formica group (including the Company). At the date of these financial statements a divestment process has commenced, however it is not yet at a sufficiently advanced stage to determine the likely outcome. The Company continues to have the support of the ultimate parent entity through the divestment process and it is expected that any potential purchaser will continue to operate the Company, and the rest of the Formica group, as a going concern with the provision of any support that may be necessary. Should the divestment process not result in a sale, the ultimate parent entity will continue to provide support to the Company as required on an ongoing basis for at least the next twelve months. The directors therefore consider it appropriate to prepare these financial statements on a going concern basis

However, as pointed out above, there is uncertainty regarding the ongoing availability of adequate financial facilities in the event that the company is divested. Should sufficient funding not be available to the business in the coming years, then the business may not be able to continue as a going concern. The Directors consider that this scenario represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern, because the Directors currently believe that the business will continue to have the necessary financial support for a period of at least 12 months, regardless of whether the divestment process is completed in that timescale.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The directors have also taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

By order of the board



N L Mason
Director

Coast Road
North Shields
Tyne and Wear
NE29 8RE

1 November 2018

Statement of directors' responsibilities

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 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 year.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Formica Holdings Limited

Opinion

We have audited the financial statements of Formica Holdings Limited (the 'company') for the year ended 30 June 2018 which comprise the Income Statement, Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that Fletcher Building Limited (the Company's ultimate parent entity) announced its intention to divest its shareholding in the global Formica group (including the Company). As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report to the members of Formica Holdings Limited *(continued)*

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Formica Holdings Limited *(continued)*

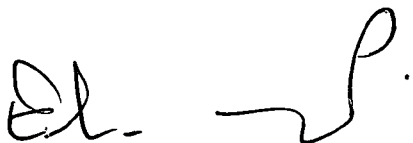
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Darren Rutherford (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

2 November 2018

Income statement
for the year ended 30 June 2018

	<i>Note</i>	2018 £000	2017 £000
Administrative (expenses)/income		(26)	117
Operating (loss)/profit		(26)	117
Interest receivable and similar income	5	-	14
Interest payable and similar charges	6	(14)	(16)
(Loss)/profit before taxation	2-6	(40)	115
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial year		(40)	115

The company ceased trading in March 2012.

There is no other comprehensive income other than the (loss)/profit stated above and the net exchange gain on retranslation of net investments of £6,000 (2017: loss of £7,000).

Balance sheet

at 30 June 2018

	<i>Note</i>	2018 £000	2017 £000
Current assets			
Tangible assets	8	-	-
Debtors	9	31	30
Cash at bank and in hand		282	380
		<hr/>	<hr/>
		313	410
Creditors: amounts falling due within one year	10	(183)	(260)
		<hr/>	<hr/>
Net current assets		130	150
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	11	(590)	(576)
		<hr/>	<hr/>
Net liabilities		(460)	(426)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	14	(556)	(516)
Translation reserve	14	(4)	(10)
		<hr/>	<hr/>
Shareholders' deficit		(460)	(426)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 1 November 2018 and were signed on its behalf by:



N L Mason
Director

Company registered number: 01004782

Statement of Changes in Equity
for the year ended 30 June 2018

	Share capital £000	Translation reserve £000	Profit and loss account £000	Total £000
At 1 July 2016	100	(3)	(631)	(534)
Profit for the year	-	-	115	115
Net exchange differences on retranslation of net investments	-	(7)	-	(7)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2017	100	(10)	(516)	(426)
Loss for the year	-	-	(40)	(40)
Net exchange differences on retranslation of net investments	-	6	-	6
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2018	100	(4)	(556)	(460)
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

Statement of compliance

Formica Holdings Limited is a private limited liability company limited by shares, incorporated in England.

The Registered Office is:

Coast Road
North Shields
Tyne & Wear
NE29 8RE

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102'), and with the Companies Act 2006.

The financial statements are prepared in GBP sterling which is the functional currency of the company and rounded to the nearest £'000.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

These financial statements are prepared under the historical cost accounting rules, modified to include the revaluation of certain tangible fixed assets.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Going concern

As noted in the business review on page 1, the Formica group has reviewed and changed its strategic plan for the Indian market and, as a consequence, the directors took the decision to cease trading in March 2012, and they do not intend to acquire a replacement trade following settlement of the company's remaining net assets.

Whilst the company had net liabilities of £460,000 at the balance sheet date, this includes £590,000 owed to group undertakings and the company has received assurances from Fletcher Building Limited, the ultimate parent undertaking, of its intention to support the company.

During the year, Fletcher Building Limited (the Company's ultimate Parent entity) announced its intention to divest its shareholding in the global Formica group (including the Company). At the date of these financial statements a divestment process has commenced, however it is not yet at a sufficiently advanced stage to determine the likely outcome. The Company continues to have the support of the ultimate parent entity through the divestment process and it is expected that any potential purchaser will continue to operate the Company, and the rest of the Formica group, as a going concern with the provision of any support that may be necessary. Should the divestment process not result in a sale, the ultimate parent entity will continue to provide support to the Company as required on an ongoing basis for at least the next twelve months. The directors therefore consider it appropriate to prepare these financial statements on a going concern basis

1 Accounting policies (continued)

Going concern (continued)

However, as pointed out above, there is uncertainty regarding the ongoing availability of adequate financial facilities in the event that the company is divested. Should sufficient funding not be available to the business in the coming years, then the business may not be able to continue as a going concern. The Directors consider that this scenario represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern, because the Directors currently believe that the business will continue to have the necessary financial support for a period of at least 12 months, regardless of whether the divestment process is completed in that timescale.

Fixed assets and depreciation

Depreciation is provided to write off the cost, less the estimated residual value, of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and equipment - 15% to 60% per annum, straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, for the overseas branch, using the average rate of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement.

The assets and liabilities of overseas operations are translated at the closing exchange rates. Profit and loss transactions are included at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves.

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 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 102 paragraph 29.

Financial instruments

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the financial statements *(continued)*

2 Notes to the income statement

	2018 £000	2017 £000
<i>Operating (loss)/profit before taxation is stated after charging:</i>		
Exchange losses	-	-
	<u> </u>	<u> </u>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2	2
	<u> </u>	<u> </u>

Auditor's remuneration of £2,000 (2017: £2,000) in respect of the company has been borne by the company's immediate parent undertaking, Formica Limited.

3 Remuneration of directors

The directors did not receive any remuneration during the current or preceding years, nor did they participate in company pension scheme arrangements.

4 Staff numbers and costs

There were no staff employed by the company during the current or preceding years. No staff costs have therefore been recognised in either year.

5 Interest receivable and similar income

	2018 £000	2017 £000
On cash deposits	-	14
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2018 £000	2017 £000
On loans from group undertakings	14	16
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*

7 Taxation

<i>Analysis of charge in the year</i>	2018 £000	2017 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
	<hr/>	<hr/>
Tax on (loss)/profit	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The tax charge for the year is higher than (2017: *higher than*) the standard rate of corporation tax in the UK, 19% (2017: 19.75%). The differences are explained below:

	2018 £000	2017 £000
<i>Current tax reconciliation</i>		
(Loss)/profit before tax	(40)	115
	<hr/>	<hr/>
Current tax at 19% (2017: 19.75%)	(8)	23
<i>Effects of:</i>		
Expenses not deductible	-	-
Effects of group relief/other reliefs	-	(2)
Tax losses	-	(21)
Other	8	-
	<hr/>	<hr/>
Total tax charge (see above)	-	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

At the balance sheet date the company had UK corporation tax losses available to carry forward of approximately £107,000 (2017: £99,000). There exists a potential deferred tax asset in respect of these losses which has not been recognised due to uncertainty as to future recovery. A standard rate of 19% applies to current tax liabilities arising during the year ended 30 June 2018. Rates of 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted prior to the balance sheet date, and have been applied to the company's deferred tax balances at the balance sheet date.

Notes to the financial statements *(continued)*

8 Tangible assets

	Plant and equipment £000
<i>Cost</i>	
At beginning and end of year	105
	<u>105</u>
<i>Depreciation and impairment</i>	
At beginning and end of year	105
	<u>105</u>
<i>Net book value</i>	
At 30 June 2018 and 30 June 2017	-
	<u>-</u>

9 Debtors

	2018 £000	2017 £000
Prepayments	31	30
Short-term deposits	-	-
	<u>31</u>	<u>30</u>
	<u>31</u>	<u>30</u>

10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	1	75
Amounts owed to group undertakings	182	185
	<u>183</u>	<u>260</u>
	<u>183</u>	<u>260</u>

11 Creditors: amounts falling due after one year

	2018 £000	2017 £000
Amounts owed to group undertakings	590	576
	<u>590</u>	<u>576</u>
	<u>590</u>	<u>576</u>

Amounts due to group undertakings include a loan of £590,000 (2017: £576,000), which is subject to interest at LIBOR plus 2%. The loan is due for repayment on 17 February 2023, or such earlier date as demand for repayment is made by the lender.

Notes to the financial statements *(continued)*

12 Called up share capital

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
100,002 Ordinary shares of £1 each	100	100

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Fletcher Building Holdings Limited, itself a subsidiary of Fletcher Building Limited, which is the ultimate parent company incorporated in New Zealand.

The largest group in which the results of the company are consolidated is that headed by Fletcher Building Limited. The smallest group in which the results of the company are consolidated is that headed by Fletcher Building (Australia) Pty Limited, incorporated in Australia. The consolidated accounts of these groups can be obtained from 810 Great South Road, Penrose 1061, Private Bag 92 114, Auckland 1142, New Zealand.

14 Reserves

The profit and loss account represents cumulative profits and losses less any dividends paid. The translation reserve represents the cumulative exchange gains and losses on retranslation of net foreign currency investments.