

Registered number: 1351648

Brintons Overseas Holdings Limited  
Report and Financial Statements  
for the year ended 30 September 2017

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# **Brintons Overseas Holdings Limited**

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# **Brintons Overseas Holdings Limited**

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## **Company registration number**

1351648

## **Directors**

A J Edwards  
D L S Baldi

## **Secretary**

R M Peak

## **Registered office**

Stourport Road  
Kidderminster  
Worcestershire  
DY11 7PZ

## **Auditor**

BDO LLP  
Two Snowhill  
Birmingham  
B4 6GA

**Strategic report  
for the year ended 30 September 2017**

The directors present their strategic report for the year ended 30 September 2017.

**Principal activities and review of the business**

The principal activity of the company is that of an intermediate holding company within the KMHD Flooring HoldCo Limited Group.


**Key performance indicators**

As a holding company the company does not have any significant key performance indicators.

**Principal risks and uncertainties**

As a holding company the principal risks and uncertainties are driven by the performance of the subsidiary entities.

**By order of the board**

A handwritten signature in black ink, consisting of a stylized 'A' followed by a long horizontal line that ends in a small flourish.

**A J Edwards**  
Director  
21 June 2018

## **Directors' report for the year ended 30 September 2017**

The directors present their report and the audited financial statements for the year ended 30 September 2017.

### **Principal activity**

The company acts as an intermediate holding company.

### **Results and dividends**

The profit for the financial year is shown on page 9. The directors do not recommend the payment of a dividend (2016: £nil).

### **Review of the business and future developments**

On 19 January 2017 the company sold its entire shareholding in its subsidiary Brintons (China) Limited for £2,500,000.

On 5 July 2017 the company's ultimate parent undertaking, Lytham HoldCo Limited, was sold by the Carlyle Group to Brintons Co-Investment Holding LP, a holding of Argand Partners Fund. As part of this transaction a new holding company, KMHD Flooring HoldCo Limited, was set up, who are now considered to be the ultimate parent company within which these accounts are consolidated. This had no direct impact on the company.

The company has no transactions other than with group companies. The directors have considered the cash flows that apply to the company during the period to 30 September 2019 and are satisfied that the company has the resources to be able to continue trading for that period and that any funds that may be required will be provided from its immediate or ultimate parent companies.

### **Directors and their interests**

The directors, who served throughout the year, unless indicated otherwise, were as follows:

A J Edwards  
D L S Baldi

## Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' report, strategic 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 for that period. In preparing the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent 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 its financial statements comply with the Companies Act 2006. They have a 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.

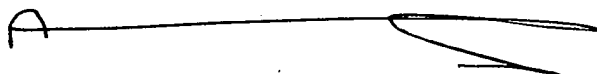
## Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

In accordance with section 485 of the Companies Act 2006, BDO LLP have been appointed as auditor of the company.

## By order of the board



**A J Edwards**  
Director  
21 June 2018

## Independent auditor's report to the members of Brintons Overseas Holdings Limited

### Opinion

We have audited the financial statements of Brintons Overseas Holdings Limited (the 'company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 Financial Reporting Standard 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 state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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 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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### 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 our report, we do not express any form of assurance conclusion thereon.

## **Independent auditor's report to the members of Brintons Overseas Holdings Limited (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information, including the strategic report and the directors' report 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

### **Responsibilities of directors**

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, 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 Brintons Overseas 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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.

*800 L5*

*25 June 2018*

Thomas Lawton (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of comprehensive income  
for the year ended 30 September 2017**

	Notes	2017 £	2016 £
Administrative expenses	5	(464,091)	-
Profit on disposal of investment in subsidiary	7	2,500,000	-
<b>Operating profit</b>	4	<b>2,035,909</b>	-
Interest payable and similar expenses	6	(23,822)	(165,030)
<b>Profit / (loss) before taxation</b>		<b>2,012,087</b>	<b>(165,030)</b>
Taxation		-	-
<b>Profit / (loss) and total comprehensive income / (loss) for the year</b>		<b>2,012,087</b>	<b>(165,030)</b>

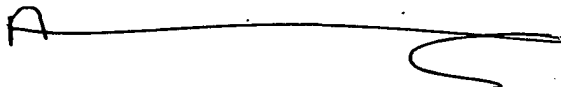
The profit on disposal of investment in subsidiary of £2,500,000 is in respect of a discontinued operation (refer note 7).

**Balance Sheet  
at 30 September 2017**

**Company number 1351648**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Investments	7	1,500,000	1,964,091
<b>Current assets</b>			
Debtors: amounts owed by group undertaking		-	464
Creditors: amounts falling due within one year	8	-	(2,895,178)
<b>Net current liabilities</b>		-	(2,894,714)
<b>Total assets less current liabilities</b>		1,500,000	(930,623)
<b>Capital and reserves</b>			
Called up share capital	9	10,053,067	10,053,067
Profit and loss account		(8,553,067)	(10,983,690)
<b>Equity shareholders' funds / (deficit)</b>		1,500,000	(930,623)

The financial statements were approved and authorised for issue by the board of directors on 21 June 2018 and signed on its behalf by:



**A J Edwards**  
Director

**Statement of changes in equity for the year ended  
30 September 2017**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 26 September 2015	10,053,067	(10,818,660)	(765,593)
Loss for the year and total comprehensive loss	-	(165,030)	(165,030)
At 1 October 2016	10,053,067	(10,983,690)	(930,623)
Profit for the year and total comprehensive income	-	2,012,087	2,012,087
Contributions by and distributions to owners			
Capital contribution	-	418,536	418,536
Total contributions by and distributions to owners	-	418,536	418,536
At 30 September 2017	10,053,067	(8,553,067)	1,500,000

## **Notes to the financial statements for the year ended 30 September 2017**

### **1 Principal activity, legal form and country of incorporation**

The principal activity of the company is that of an intermediate holding company within the KMHD Flooring HoldCo Limited Group. The company is a private limited company, incorporated in England.

### **2 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. 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**

The financial statements are prepared in accordance with the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Brintons Carpets Limited which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102.

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

#### **Consolidated financial statements**

The financial statements contain information about Brintons Overseas Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in non EEA group accounts of a larger group.

#### **Going concern**

The company acts as an intermediate holding company and has no transactions other than with group companies. The directors have considered the cash flows that apply to the company during the year to 30 September 2019 and are satisfied that the company has the resources to be able to continue. Therefore the financial statements have been prepared on a going concern basis.

**Notes to the financial statements (continued)  
for the year ended 30 September 2017****2 Accounting policies (continued)****Financial liabilities**

Financial liabilities comprise amounts due to group undertakings, these are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest method.

**Fixed asset investments**

Shares in subsidiary undertakings are stated at original cost less provision for impairment. Provision for impairment is made by comparing the carrying value of the investment against the expected value in use or expected sales value of the underlying assets.

**Foreign Currency**

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the income statement.

**3 Judgements in applying accounting policies and key sources of estimation uncertainty**

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The significant judgements, estimates and assumptions are:

- Impairment of investments

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted the recoverable amount of the investment is based on the net present value of future cashflows expected to arise from the investment using an appropriate discount rate.

**4 Operating profit**

None of the directors received any emoluments in either year. There were no employees in either year. No audit fees have been allocated to this company. Amounts payable to the company's auditors are borne by the company's ultimate parent undertaking.

**Notes to the financial statements (continued)  
for the year ended 30 September 2017**

**5 Administrative expenses**

	Notes	2017 £	2016 £
Impairment of investment in subsidiary	7	(464,091)	-
		<u>(464,091)</u>	<u>-</u>

**6 Interest payable and similar charges**

	2017 £	2016 £
Exchange loss on group balances	(23,822)	(165,030)
	<u>(23,822)</u>	<u>(165,030)</u>

**7 Investments**

**Shares in subsidiary undertakings:**

£

**Cost**

At 1 October 2016

14,467,385

Disposal

(10,052,967)

At 30 September 2017

4,414,418

**Provision**

At 1 October 2016

(12,503,294)

Disposal

10,052,967

Impairment

(464,091)

At 30 September 2017

(2,914,418)

**Net book value**

At 30 September 2017

1,500,000

At 1 October 2016

1,964,091

**Notes to the financial statements (continued)  
for the year ended 30 September 2017**

**7 Investments (continued)**

Details of subsidiary undertakings and of other investments in group undertakings are as follows:

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights &amp; shares held</i>	<i>Nature of business</i>
Brintons Pty Limited Level 1, 672 Lorimer Street, Port Melbourne VIC 3207, Australia.	Australia	Ordinary shares	100%	Sale of high quality floor coverings
Brintons Christchurch Yarns Limited Level 1, 672 Lorimer Street, Port Melbourne VIC 3207, Australia.	Australia	Ordinary shares	*100%	Non-trader

\* 16% held directly; 84% held indirectly

The carrying value of the investment reflects the investment in Brintons Pty Limited.

The directors have considered the value of the investment and believe that based on the information available at the date of approval of these financial statements the directors are satisfied that no additional impairment is required. The directors will continue to monitor the situation and the need for impairment.

On 19 January 2017 the company sold its entire shareholding in its subsidiary Brintons (China) Limited for £2,500,000. This resulted in a profit on sale of £2,500,000.

During the year the directors reviewed the value of its investment in Brintons Christchurch Yarns and impaired the value of this investment by £464,091 to £Nil.

**8 Creditors**

	<b>2017</b>	<b>2016</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Amount owed to group undertakings	-	(2,895,178)

On 30 December 2016, in preparation for the sale of Brintons (China) Limited, an amount of £2,144,474 due from Brintons (China) Limited, which had previously been fully provided for, was formally waived by the directors of the company.

The proceeds from the disposal of Brintons (China) Limited were utilised to reduce the amount owed to group undertakings. Subsequently, the residual balance of £418,536 (net of foreign exchange movement) was formally waived by the group undertaking.



**Notes to the financial statements (continued)  
for the year ended 30 September 2017****9 Called up share capital**

	2017	2016
Allotted, called up and fully paid:	£	£
Ordinary shares of £1 each	10,053,067	10,053,067

**10 Transactions with related parties**

The only transactions with related parties are shown within the accounts as balances due to and from group undertakings and interest received from and payable to group undertakings. In addition any administrative expenses incurred by the company have been paid by fellow subsidiary companies.

No transactions with related parties were undertaken which are required to be disclosed under FRS 102 Section 33.

**11 Parent undertaking and controlling party**

The company is a wholly owned subsidiary of Brintons Carpets Limited and the ultimate parent company is KMHD Flooring HoldCo Limited, a company registered in England and Wales.

The smallest group and the largest group in which they are consolidated is headed by Brintons Carpets Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ. No other group accounts include the results of the company.

The ultimate shareholder is Brintons Co-Investment Holdings LP, a holding of Argand Partners Fund, LP.