

Croydex Limited

**Annual report and financial statements
for the year ended 31 March 2017**

Registered Number 03116584

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Croydex Limited

Directors' report for the year ended 31 March 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities, review of the business and future developments

Until 1 January 2016, the principal activity of the Company was the design, manufacture, sourcing and distribution of bathroom fittings and accessories. In the interests of corporate simplification, the trade and assets of the Company were hived-up into Norcros Group (Holdings) Limited on 1 January 2016, and after this date the Company became dormant.

It is not expected that the Company will begin to trade again in the foreseeable future.

Results and dividends

The Company recorded no profit or loss in the year (2016: profit of £724,000).

No dividend was paid or proposed during the period (2016: nil).

Statutory records

The Company is incorporated in England with a company registration number of 03116584.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements are given below:

N. E. McGrellis

N. P. Kelsall

M. K. Payne

S. M. Smith

R. H. Collins

(resigned 4 April 2016)

(appointed 4 April 2016)

By order of the Board



R. H. Collins

Secretary

13 December 2017

Croydex Limited

Income statement for the year ended 31 March 2017

	Note	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Revenue	1	-	21,564
Operating profit before exceptional items		-	2,689
Exceptional operating items	3	-	(1,974)
Operating profit	2	-	715
Profit on ordinary activities before interest and taxation		-	715
Finance income	5	-	9
Profit on ordinary activities before taxation		-	724
Tax on profit on ordinary activities	6	-	-
Profit for the financial period/year		-	724

Statement of comprehensive income for the year ended 31 March 2017

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Profit for the financial period/year	-	724
Other comprehensive income and expense: Items that will not subsequently be reclassified to the Income statement		
Unrealised surplus on revaluation of tangible fixed assets	-	-
Other comprehensive income for the period/year	-	-
Total comprehensive income for the period/year	-	724

Croydex Limited

Statement of financial position as at 31 March 2017

	Note	31 March 2017 £'000	31 March 2016 £'000
Current assets			
Trade and other receivables	7	9,833	9,833
Net current assets		9,833	9,833
Total assets less current liabilities		9,833	9,833
Net assets		9,833	9,833
Capital and reserves			
Called up share capital	8	5,342	5,342
Revaluation Reserve		1,214	1,214
Retained earnings		3,277	3,277
Total shareholder's funds		9,833	9,833

Audit Exemption Statement

For the 12 month period ending 31 March 2017 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were signed on behalf of the Board on 13 December 2017 by:



R. H. Collins

Director

Croydex Limited (company number: 03116584)

Croydex Limited

Accounting policies

General information

Croydex Limited is incorporated and domiciled in the UK as a private company limited by shares.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods/years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified for derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. The Company transitioned from previously applicable UK Generally Accepted Accounting Principles to FRS 101 effective 1 January 2014.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Consolidated financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary of Norcros plc, which itself prepares consolidated financial statements which are publicly available from the Company Secretary at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire, SK19 1BU and online at www.norcros.com.

Revenue recognition

Revenue comprises the consideration received or receivable for the sale of goods and services provided alongside the supply of goods in the ordinary course of the Company's activities and is shown net of value added and other sales-based taxes, customer rebates, incentives, discounts and promotional support.

Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which is usually on despatch.

Customer rebates, incentives, discounts and promotional support

Accrual is made at each Balance Sheet date to reflect management's best estimate of amounts to be paid in respect of arrangements in place with customers regarding rebates, incentives, discounts and promotional support. The cost of rebates, incentives, discounts and promotional support which have been paid or are accrued at the Balance Sheet date is shown as a deduction from revenue.

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Accounting policies (continued)

Taxation

Current tax, which comprises UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the Statement of financial position and the corresponding tax bases used in the computation of taxable profits and is accounted for using the Balance Sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised and is charged in the Income Statement, except where it relates to items charged or credited to equity via the Statement of Comprehensive Income, when the deferred tax is also dealt with in equity and is shown in the Statement of Comprehensive Income.

Operating leases

Annual rentals are charged/credited directly to the Income Statement on a straight-line basis over the lease term.

Employee benefits

The Company operates two defined contribution pension schemes and the pension charge represents the amounts payable by the company to the fund in respect of the period.

Exceptional items

Exceptional items are disclosed separately in accordance with the requirements of IAS 1, 'Presentation of financial statements'. They include profits and losses on disposal of non-current assets outside the normal course of business, restructuring costs and large or significant one-off items which, in management's judgment, need to be disclosed to enable the user to obtain a proper understanding of the Company's financial performance.

Financial assets and liabilities

Trade receivables – trade receivables are recognised initially at fair value and subsequently reviewed for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Evidence including significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payment are considered indicators that the trade receivables are impaired. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognised in the Income Statement within administration costs. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administration costs in the Income Statement.

Fair value estimation

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the Balance Sheet date. The Company determines the fair value of its remaining financial instruments through the use of estimated discounted cash flows. The fair value of interest rate and cross currency swaps is calculated as the net-present-value-of-the-estimated-future-cash-flows.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate to their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

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Accounting policies (continued)

Research and development

Expenditure on research is charged against profits for the period in which it is incurred.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, or, when paid if earlier.

Foreign currency transactions

Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Monetary assets and liabilities expressed in currencies other than the functional currency are translated at rates applicable at the period end. Exchange gains and losses of a trading nature are dealt with in arriving at operating profit.

Share capital

Issued share capital is recorded in the Balance Sheet at nominal value with any premium at that date of issue being credited to the share premium account.

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Notes to the financial statements for the year ended 31 March 2017

1 Revenue

All of the Company's revenue originates in the United Kingdom. The Company's turnover is analysed below by destination:

	12 months ended 31 March 2017 £'000	2017 %	15 months ended 31 March 2016 £'000	2016 %
United Kingdom	-	-	19,691	91
Europe	-	-	1,207	6
USA	-	-	594	3
Far East	-	-	30	-
Other	-	-	42	-
	-	-	21,564	100

The revenue derives solely from the principal activities of the Company.

2 Operating profit

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned assets	-	154
Inventory recognised as an expense	-	12,527
Impairment of inventory	-	14
Operating lease rentals:	-	
- other	-	178
- plant and machinery	-	47
Services provided by the Company's auditors:	-	
- Fees payable for the audit	-	23
- Fees payable for other services – taxation	-	7

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Notes to the financial statements for the year ended 31 March 2017 (continued)

3 Exceptional operating items

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Sale of business exit costs	-	1,974

As part of the sale of the business on 25 June 2015 to Norcross Group (Holdings) Limited, management bonus agreements were triggered to the value of £1.97m.

4 Staff costs and numbers

The average monthly number of persons employed by the Company (including Directors) during the period was:

By activity	12 months ended 31 March 2017 Number	15 months ended 31 March 2016 Number
Production	-	25
Administration	-	61
	-	86

The aggregate payroll costs of these persons were as follows:

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Wages and salaries	-	2,843
Social security costs	-	260
Defined contribution pension cost	-	118
Exceptional items (note 3)	-	1,974
	-	5,195

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Notes to the financial statements for the year ended 31 March 2017 (continued)

4 Staff costs and numbers (continued)

The remuneration paid to Directors was:

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Aggregate emoluments (including benefits in kind)	-	335
Pension contributions	-	4
	-	339

Retirement benefits accrued to no Director (2016: one) in respect of a defined contribution pension scheme.

Highest paid Director

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Aggregate emoluments (including benefits in kind)	-	193

5 Finance income and costs

Finance income	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Bank Interest	-	9

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Notes to the financial statements for the year ended 31 March 2017 (continued)

6 Tax on profit on ordinary activities

There was no tax charge or credit in either period. The tax assessed for the period is the same as (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	12 months ended 31 March 2017 £'000	15 months ended 31 March 2016 £'000
Profit on ordinary activities before taxation	-	724
Standard tax rate in the UK 20% (2016: 20%)	-	145
EMI share relief	-	(145)
Total tax charge for the period/year	-	-

7 Trade and other receivables

	31 March 2017 £'000	31 March 2016 £'000
Amounts owed by group undertakings	9,833	9,833

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8 Called up share capital

	31 March 2017 £'000	31 March 2016 £'000
Allotted, called up and fully paid		
5,342,000 (2016: 5,342,000) ordinary shares of £1 each	5,342	5,342

Croydex Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

9 Ultimate holding company and controlling party

The Company's immediate parent undertaking is Croydex Group Limited, a company registered in England and Wales.

The ultimate controlling party is Norcros plc, a Company incorporated in Great Britain and registered in England and Wales.

Consolidated financial statements for Norcros plc, which is the largest and smallest group into which the results of the Company are consolidated, can be obtained from the Company Secretary at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire, SK19 1BU.