

Financial Statements

Duralay International Holdings Limited

for the period ended 2 June 2012



Registered number: 3189091

Duralay International Holdings Limited

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Duralay International Holdings Limited

Directors' Report

for the period ended 2 June 2012

The Directors present their report and the financial statements for the period ended 2 June 2012

Principal activity and review of the business

The principal activity of the Company is that of an intermediate holding company. The Company did not trade during the period or the preceding period.

Directors

The Directors who served during the period were

P Reeder

M Taylor

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP have expressed their willingness to continue in office and will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notification under Section 488(1) of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 September 2012 and signed on its behalf



M Taylor

Director

Duralay International Holdings Limited

Directors' Responsibilities Statement *for the period ended 2 June 2012*

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 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 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.



Independent Auditor's Report to the Members of Duralay International Holdings Limited

We have audited the financial statements of Duralay International Holdings Limited for the period ended 2 June 2012, which comprise the Balance Sheet and the related notes. 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

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2 June 2012 and of its results for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Duralay International Holdings Limited

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, or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report

A handwritten signature in black ink, appearing to read "K Engel".

Kevin Engel (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Manchester
21 September 2012

Duralay International Holdings Limited
Registered number: 3189091

Balance Sheet
as at 2 June 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	3	27,597	27,597
Creditors: amounts falling due within one year	4	(26,211)	(26,211)
Total assets less current liabilities		1,386	1,386
Capital and reserves			
Called up share capital	5	104	104
Share premium account	6	932	932
Profit and loss account	6	350	350
Shareholders' funds	7	1,386	1,386

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2012

The notes on pages 6 to 9 form part of these financial statements



M Taylor
Director

Duralay International Holdings Limited

Notes to the Financial Statements *for the period ended 2 June 2012*

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Interfloor Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Interfloor Group Limited, within which this Company is included, can be obtained from the address given in note 9.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Investments

Investments held at fixed assets are shown at cost less any provision for diminution in value.

Duralay International Holdings Limited

Notes to the Financial Statements *for the period ended 2 June 2012*

1. Accounting policies (continued)

1.4 Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges.

1.5 Financial guarantees

The Company has not adopted FRS 26 in relation to financial guarantee contracts.

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.

1.6 Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Directors and employees

There were no employees of the Company during either the current or prior period, other than the Directors. The Directors received no remuneration in either the current or prior period in respect of their services to the Company.

Duralay International Holdings Limited

Notes to the Financial Statements for the period ended 2 June 2012

3. Investments in subsidiary companies

	2012 £000	2011 £000
Subsidiary Undertakings	27,597	27,597

Company name	Class of shares held	Principal activity
Interfloor Limited	Ordinary shares of \$1 each Deferred shares of 0 25p each	Manufacture of underlay and related products
Interfloor Trustees Limited	Ordinary shares of £1 each	Dormant
Interfloor Investments Limited	Ordinary shares of £1 each	Dormant
Presbury Properties Limited	Ordinary shares of £1 each	Property investments
Tacktrim Limited *	Ordinary shares of £1 each	Dormant
Stikatak Limited *	Ordinary shares of £1 each	Non-trading

* indirect holding

4. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	26,211	26,211

5 Share capital

	2012 £000	2011 £000
Authorised		
775,000 'A' ordinary shares of 10 pence each	78	78
270,000 ordinary shares of 10 pence each	27	27
	105	105
Allotted, called up and fully paid		
775,000 'A' ordinary shares of 10 pence each	78	78
261,300 ordinary shares of 10 pence each	26	26
	104	104

Duralay International Holdings Limited

Notes to the Financial Statements for the period ended 2 June 2012

5. Share capital (continued)

The holders of the 'A' ordinary shares rank ahead of the other shareholders in the event of any return on assets. In all other respects the two classes rank pari passu.

6. Reserves

	Share premium account £000	Profit and loss account £000
At 5 June 2011 and 2 June 2012	932	350

7. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening and closing shareholders' funds	1,386	1,386

8. Contingent liabilities

The Company has a composite guarantee and debenture with other group companies Interfloor Group Limited, Interfloor Operations Limited, Interfloor Industries Limited, Interfloor Holdings Limited, Interfloor Limited and Stikatak Limited in favour of Kaupthing Bank HF, for all monies due, and Hutton Collins Mezzanine Partners LP, for all monies due under the Mezzanine Loan Note Instrument. Security was provided through a fixed and floating charge over all assets of each company. This financial assistance was in connection with the acquisition of the entire shareholding in Interfloor Industries Limited. At the year end £29,871,000 (2011: £30,855,000) was outstanding under this agreement.

9. Ultimate parent undertaking and controlling party

At the balance sheet date the Company's immediate parent undertaking was Interfloor Holdings Limited. The ultimate parent company is Interfloor Group Limited.

21.9% of the issued share capital of Interfloor Group Limited is held by EAC (Scotland) GP3 Limited on behalf of investors in EAC Fund 111 Limited Partnership and EAC Fund 111 GmbH & Co. Beteiligungs KG. 33.1% of the issued share capital is held by Milestone GP Limited on behalf of investors in Milestone Link Fund LP. All of these funds are managed by Milestone Capital Partners LLP. 22.5% of the issued share capital of Interfloor Group Limited is owned by Hutton Collins Mezzanine Partners LP with the remaining shares owned by Management. The ultimate controlling party is therefore considered to be Milestone Capital Partners LLP.

The Company is included in the group financial statements of Interfloor Group Limited, copies of which are available from its registered office, Broadway, Haslingden, Rossendale, Lancashire, BB4 4LS.

Duralay International Holdings Limited

Notes to the Financial Statements *for the period ended 2 June 2012*

10. Post balance sheet events

On 31 July 2012 the Company received a dividend of £7,500,000 from Interfloor Limited and subsequently paid a dividend of £7,500,000 to Interfloor Holdings Limited