

Company Registration No. 3226252

Premdor UK Holdings Limited

**Report and Financial Statements
for the year ended 29 December
2018**



Premdor UK Holdings Limited

Report and financial statements

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Premdor UK Holdings Limited

Report and financial statements

Officers and professional advisers

Directors

R Baker (resigned 30 September 2018)

R Murphy

C Doyle (appointed 1 October 2018)

Secretary

Pinsent Masons Secretarial Limited

R Murphy

Registered office

Birthwaite Business Park

Huddersfield Road

Darton

Barnsley

S75 5JS

Auditor

Ernst and Young LLP

Statutory Auditor

Bridgewater Place

Leeds

LS11 5QR

Premdor UK Holdings Limited

Strategic report

The directors present their strategic report for the year ended 29 December 2018. The company operates a US financial calendar which is split between periods of 4, 4 and 5 weeks, which means that the financial year-end date is different each year and financial statements are prepared up to the nearest Sunday.

The financial statements have been presented under Financial Reporting Standard 102 (FRS 102).

The functional currency of the company is USD.

Principal activity

During the year the company acted as a holding company for its subsidiary undertakings, Premdor Crosby Limited, Bonlea Limited, Door-Stop International Limited, Performance Doorset Solutions Limited, DW3 Products Holding Limited and Hickman Industries Limited (the Group). Details of investments holdings are included in note 5 to the financial statements. The principal activity of the subsidiary companies is the manufacture and sale of doors, cubicles and windows.

Business review and key performance indicators

The directors consider the dividend income to be an appropriate key performance indicator for the Company. Dividend income in the year totalled \$6,014,660 (2017: \$7,720,453). Dividend income has fallen due to changes in needs of parent and subsidiary companies.

The directors assess the individual financial statements of the subsidiaries for KPIs pertaining to the trading performance of those businesses, given that they are the key drivers in assessing the Company's investments, and these are disclosed in the individual company financial statements.

Principal risks and uncertainties

Competitive Pressure

Competitive pressure detailed here relates to the subsidiary companies but may affect dividend income in Premdor UK Holdings Limited. Competitive pressure in the UK is a continuing risk for the companies, which could result in it losing sales to its key competitors. The company manages this risk by striving to maintain a high level of customer service through focusing on delivering its products on time, in full and error free. The company also regularly reviews its 'offer to the market' in order to meet changing trends and fashions, and also to ensure compliance with government legislation.

Financial risk management objectives and policies

Treasury

The company's treasury operates procedures designed to reduce or eliminate financial risk. The policies are approved by the Board and the use of financial instruments is strictly controlled.

The principal financial instruments comprise intercompany loans denominated in USD so there is no exposure to the financial risks of changes in foreign currency exchange rates.

The liquidity risk is minimised due to the fact that payables are held with group companies.

Going Concern

The Directors have considered the Going Concern assumption given the risks and uncertainties faced by the company and group as described in this Report and have formed the conclusion that there is a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future.

The Directors have considered the company and subsidiary forecasts, given that they are the expected dividend stream, including downside sensitivities and the financial commitments in forming this judgement. The Directors have also considered the post year-end transactions (note 13). Accordingly, they continue to adopt the going concern basis in preparing these financial statements

Premdor UK Holdings Limited

Directors' report

The company has net current liabilities at 29 December 2018 of \$3,255,000 (2017: \$3,255,000), however the directors have prepared the financial statements on a going concern basis as they have received an undertaking from the ultimate parent company, Masonite International Corporation, that it will provide such financial support as will enable the company to meet its liabilities for the foreseeable future

Brexit

In the UK, both economic and political uncertainty have heightened over the last twelve months, with precariousness as to the outcome of Brexit negotiations and the implications for trade with the European Union. The Directors are engaged in exploring the range of outcomes and are aware of the potential impacts including supply chain restraints, availability of labour and access to the European Market. The Directors are confident that the Company has in place appropriate measures to lower the risks and withstand any potential negative consequences

Events after balance sheet date

On 28th January 2019 the trade and assets of the Engineered Timber Flooring Systems element of the 100% owned subsidiary Hickman Industries Limited were sold. The sale allows Hickman Industries Limited to focus on its core and more profitable product lines of door kits and MDF products.

On 20th March 2019 Premdor Crosby Limited sold Performance Doorset Solutions Limited.

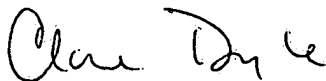
On 4th April 2019 Premdor Crosby Limited paid a dividend to the Company for \$31,195.

On 12th July 2019 Premdor Crosby Limited paid a dividend to the Company for £20,639,850

Future developments

The directors expect the receipt and payment of dividends to continue into 2019. The directors expect the general level of activity in the subsidiary companies to remain consistent with 2018 in the forthcoming year. This is as a result of strong relationships forged with the customer base and an ongoing focus on quality and product innovation. Demand for new housing is expected to continue to drive supply.

Approved by the Board of Directors
and signed on behalf of the Board



Clare Doyle
Director
30th September 2019

Premdor UK Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year end 29 December 2018. A review of the business and details of the principal business activities, future developments, events after the balance sheet date, KPIs, financial risk management objectives and policies and principal risks and uncertainties are included in the strategic report on pages 2 and 3, and form part of this report by cross-reference.

Dividends

Dividends paid in the year total \$5,979,465 (2017: \$6,279,360)

Directors

The directors who held office during the year, and subsequently except as noted below, were as follows:

R Baker (resigned 30 September 2018)

R Murphy

C Doyle (appointed 1 October 2018)

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report, to indemnify them against certain liabilities which they may incur in their capacity as directors or officers of the Company, including liabilities in respect of which the Company is itself unable to provide an indemnity by virtue of Section 232 of the Companies Act 2006.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

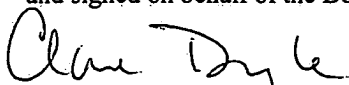
In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors 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 (as defined) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

It was resolved that Ernst and Young LLP were reappointed for 2019.

Approved by the Board of Directors
and signed on behalf of the Board



Clare Doyle
Director
30th September 2019

Premdor UK Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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 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.

EY's Independent Auditor's Report To The Members Of Premdor UK Holdings Limited

Opinion

We have audited the financial statements of Premdor UK Holdings Limited for the year ended 29th December 2018 which comprise the Profit and loss account, the Balance sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 13, 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 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 29th December 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 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 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 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 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 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 set out on page 5 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.


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



Peter Buckler (Senior statutory auditor)
for and on behalf of Ernst and Young LLP, Statutory Auditor
Leeds

30th September 2019

Premdor UK Holdings Limited

Profit and loss account Year ended 29 December 2018

		29 December 2018 \$'000	30 December 2017 \$'000
	Note		
Operating profit			
Other finance costs	4	(18,070)	(13,017)
Dividends received from subsidiaries		6,015	7,720
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(12,055)	(5,297)
Tax on loss on ordinary activities	8	-	-
		<hr/>	<hr/>
Loss after taxation and retained profit for the period		<u>(12,055)</u>	<u>(5,297)</u>

All results are derived from continuing operations.

Statement of comprehensive income Year ended 29 December 2018

	29 December 2018 \$'000	30 December 2017 \$'000
Loss for the financial year	(12,055)	(5,297)
Other comprehensive income	-	-
	<hr/>	<hr/>
Total comprehensive expense	<u>(12,055)</u>	<u>(5,297)</u>

Premdor UK Holdings Limited

Balance sheet

As at 29 December 2018

		As at 29 December 2018 \$'000	As at 30 December 2017 \$'000
	Note		
Fixed Assets			
Tangible fixed assets		-	-
Investments	5	325,419	227,352
Current Assets			
Debtors		53	53
Cash at Bank and in hand		-	-
Creditors: amounts falling due within one year	6	(3,308)	(3,308)
Net Current liabilities		<u>(3,255)</u>	<u>(3,255)</u>
Total assets less current liabilities		<u>322,164</u>	<u>224,097</u>
Creditors: amounts falling due greater than one year	7	(285,320)	(197,237)
Total Net Assets		<u><u>36,844</u></u>	<u><u>26,860</u></u>
Capital and reserves			
Called up equity share capital	10	-	-
Share Premium	10	-	-
Capital Contribution	10	28,019	-
Profit and Loss account	10	8,825	26,860
Shareholders' funds		<u><u>36,844</u></u>	<u><u>26,860</u></u>

The notes on pages 11 to 18 form an integral part of these financial statements.

These financial statements of Premdor UK Holdings Limited, company number 3226252, were approved by the Board of Directors and authorised for issue on 30th September 2019.

Signed on behalf of the Board of Directors



Clare Doyle
Director

Premdor UK Holdings Limited

Statement of changes in equity Year ended 29 December 2018

	Called up share capital \$'000	Capital contribution \$'000	Share premium account \$'000	Profit and loss account \$'000	Total \$'000
At 1 January 2017	-	-	-	38,437	38,437
Loss for the financial year and total comprehensive income	-	-	-	(5,297)	(5,297)
Total comprehensive income				33,140	33,140
Dividends paid	-	-	-	(6,280)	(6,280)
At 30 December 2017	-	-	-	26,860	26,860
Loss for the financial year and total comprehensive income				(12,055)	(12,055)
Total comprehensive income	-	-	-	(12,055)	(12,055)
Dividends paid	-	-	-	(5,980)	(5,980)
Capital contribution by parent company	-	28,019	-	-	28,019
At 29 December 2018	-	28,019	-	8,825	36,844

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

1. Accounting policies

The following accounting policies have been applied consistently, throughout the year and prior year, in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The company is incorporated in the United Kingdom under the Companies Act.

The company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and the nature of its operations are set out in the strategic report on pages 2 to 3.

The financial statements are made up to the Saturday nearest to the year end for each financial period. The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Premdor UK Holdings Limited is considered to be United States dollars because that is the currency of the primary activities of the Company.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

The company has also taken an exemption from preparing consolidated accounts, as permitted under Section 401 of the Companies Act 2006, because the entity is a wholly-owned subsidiary and included within the consolidated accounts of the parent company, Masonite International Inc.

Going Concern

The Directors have considered the Going Concern assumption given the risks and uncertainties faced by the company and group as described in the Strategic Report and have formed the conclusion that there is a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future.

The Directors have considered the company and subsidiary forecasts, given that they are the expected dividend stream, including downside sensitivities and the financial commitments in forming this judgement. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The company has net current liabilities at 29 December 2018 of £3,255,000 (2017: £3,255,000), however, the directors have prepared the financial statements on a going concern basis as they have received an undertaking from the ultimate parent company, Masonite Incorporation, that it will provide such financial support as will enable to the company to meet its liabilities for the foreseeable future.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Premdor UK Holdings Limited

Notes to the financial statements continued...

Year ended 29 December 2018

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

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 profit and loss account.

Taxation

Current 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 recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

Financial instruments (continued...)

Financial assets and liabilities (continued...)

- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Premdor UK Holdings Limited

Notes to the financial statements continued...

Year ended 29 December 2018

2. Critical accounting judgements and key sources of estimation uncertainty (continued...)

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Assessment of impairment of investments

In making its judgement, management review future cash flows of subsidiaries. The cash flows are compared against the carrying value of investments held, considering budget assumptions and downside sensitivities. Impairment losses are recognised when the carrying value exceeds the recoverable amount of the investment.

3. Information regarding directors and employees

All directors were remunerated by a fellow group company and it is not practical to allocate their costs to this company (2017: same). The only employees of the company are the directors.

4. Finance costs (net)

	29 December 2018 \$'000	30 December 2017 \$'000
Interest payable and similar charges	(18,070)	(13,017)
	<u>(18,070)</u>	<u>(13,017)</u>

5. Fixed asset investments

	Investment in subsidiary undertakings
Cost	
At 1 January 2018	227,352
Additions	98,067
	<hr/>
At 29 December 2018	325,419
Provision for impairment	
At 1 January 2018 and 29 December 2018	-
	<hr/>
Net book value	
1 January 2018	227,352
	<hr/>
29 December 2018	<u>325,419</u>

The additions above relate to the acquisition of the DW3 Group during the year.

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

5. Fixed asset investments (continued...)

The companies in which the company's interest at the year-end is more than 10% are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class of shares held	Percentage shareholding
Premdor Crosby Limited* Huddersfield Rd, Darton Barnsley, S75 5JS	England and Wales	Manufacture of doors and windows	'A' ordinary shares of £1 each	100%
Bonlea Limited Huddersfield Rd, Darton Barnsley, S75 5JS	England and Wales	Dormant	'A' ordinary shares of £0.00009181 each	100%
Door-Stop International Limited Export Drive, Notts NG17 6AF	England and Wales	Manufacture of doors	'A' ordinary shares of £1 each	100%
Hickmans Industries Limited Bilston Rd, Wolverhampton WV2 2JQ	England and Wales	Manufacture of doors and windows	'A' ordinary shares of £1 each	100%
DW3 Products Holding Limited Huddersfield Rd, Darton Barnsley, S75 5JS	England and Wales	Holding company	'A' ordinary shares of £0.10 each 'B' ordinary shares of £0.10 each 'C' ordinary shares of £0.10 each 'D' ordinary shares of £0.10 each 'E1' ordinary shares of £5.10 each 'E2' ordinary shares of £5.60 each 'E3' ordinary shares of £6.60 each 'E4' ordinary shares of £6.10 each 'E5' ordinary shares of £0.30 each 'E6' ordinary shares of £2.00 each 'F' ordinary shares of £0.10 each	100%
DW3 Products Group Limited Huddersfield Rd, Darton Barnsley, S75 5JS	England and Wales	Intermediary investment company	'A' ordinary shares of £0.10 each	100%
Passivdor Limited	England and Wales	Dormant holding company	'A' ordinary shares of £1 each	100%
Solidor Limited	England and Wales	Manufacture of composite doors	'A' ordinary shares of £1 each	100%
Toolsdecor Limited	England and Wales	Manufacture of upvc doors	'A' ordinary shares of £1 each	100%
Window Widgets (2006) Limited	England and Wales	Production of ancillary components for windows and window system design extrusion	'A' ordinary shares of £1 each	100%

*Held directly by Premdor UK Holdings Limited.

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

6. Creditors: Amounts falling due within one year

	29 December 2018 \$'000	30 December 2017 \$'000
Trade creditors	14	14
Amounts owed to group undertakings	3,294	3,294
	<u>3,308</u>	<u>3,308</u>

7. Creditors: Amounts falling due after one year

	29 December 2018 \$'000	30 December 2017 \$'000
Intercompany loan Masonite Finance Corporation	285,320	197,237
	<u>285,320</u>	<u>197,237</u>

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

7. Creditors: Amounts falling due after one year (continued...)

The loan with Masonite Luxembourg was refinanced on the 17th January 2017 with Masonite Finance Corporation at an interest rate of 6.375% repayable on 17th January 2024. The loan with Masonite International Corporation was reassigned to Masonite Finance Corporation on the 17th January 2017.

Borrowings are repayable as follows:

	29 December 2018 \$'000	30 December 2017 \$'000
Intercompany Loans		
Between one and two years	-	-
Between two and five years	-	-
After five years	285,320	197,237
	<hr/>	<hr/>
On demand or within one year	-	-
	<hr/>	<hr/>
	<u>285,320</u>	<u>197,237</u>

8. Tax on profit on ordinary activities

	29 December 2018 \$'000	30 December 2017 \$'000
Analysis of credit in year:		
Total current tax	-	-
Total deferred tax	-	-
	<hr/>	<hr/>
Total tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Premdor UK Holdings Limited

Notes to the financial statements continued... Year ended 29 December 2018

8. Tax on profit on ordinary activities (continued...)

Factors affecting the tax credit for the current year

The current tax for the year is lower (2017: lower) than the average rate of corporation tax in the UK. The differences are explained below:

	29 December 2018 \$'000	30 December 2017 \$'000
Profit on ordinary activities before taxation	(7,555)	(5,297)
Current tax at 19% (2018: 19.25%)	(1,435)	(1,020)
Effects of:		
Deferred Tax not recognised	1,936	833
Non-taxable income	(1,998)	(1,486)
Expenses not deductible	1,497	1,683
Total tax charge	-	-

The company has an unrecognised deferred tax asset of \$1.9m in relation to losses carried forward of \$10.2m which has not been recognised because its recovery is uncertain.

Factors affecting tax charge in future periods

The Finance Act 2015 included provisions to reduce the rate of UK corporation tax to 19% with effect from 1 April 2017. The Finance Act 2016 included provisions to further reduce the rate of UK corporation tax to 17% with effect from 1 April 2020. Deferred taxation is measured at tax rates that are expected to apply in the periods in which temporary timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 29 December 2018.

9. Dividends on equity shares

The aggregate amount of dividends paid in the year ending 29 December 2018 was \$5,980 (2017: \$6,279,000).

10. Called up share capital and reserves

	29 December 2018 \$'000	30 December 2017 \$'000
Allotted, called up and fully paid		
100 (2017: 100) ordinary shares of \$1.56 each	156	156

Premdor UK Holdings Limited

Notes to the financial statements continued...

Year ended 29 December 2018

10. Called up share capital and reserves (continued...)

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends and other adjustments.

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The capital contribution reserve represents a cash contribution from the parent company.

11. Related party transactions

The company is a wholly owned subsidiary within the Masonite group, and utilises the exemption contained in FRS 102 section 33 2.2, "Related Party Disclosures", not to disclose any transactions with entities that are a wholly owned part of the group.

12. Ultimate parent company

The company is a subsidiary undertaking of Masonite International Inc, incorporated in Canada. At the year end, the largest and smallest group in which the results of the company are consolidated is that headed by Masonite International Inc, incorporated in Canada. Copies of the consolidated financial statements can be obtained from Masonite International Inc (1 Tampa City Centre, 201 N Franklin Street, Ste. 300 Tampa, Florida, FL 33602).

The ultimate controlling party is Masonite International Inc.

13. Subsequent events

On 28th January 2019 the trade and assets of the Engineered Timber Flooring Systems element of the 100% owned subsidiary Hickman Industries Limited were sold. The sale allows Hickman Industries Limited to focus on its core and more profitable product lines of door kits and MDF products.

On 20th March 2019 Premdor Crosby Limited sold Performance Doorset Solutions Limited.

On 4th April 2019 Premdor Crosby Limited paid a dividend to the Company for £31,195.

On 12th July 2019 Premdor Crosby Limited paid a dividend to the Company for £20,639,850