

# **Fogarty Holdings Limited**

Directors' report and financial  
statements

Registered number 04292372

30 September 2015

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## **Company information**

<b>Directors</b>	William Adderley John Julian Browett Keith William Down
<b>Secretary</b>	Dawn Elizabeth Durrant
<b>Registered Office</b>	Dunelm Store Support Watermead Business Park Leicester LE7 1AD
<b>Registered number</b>	04292372
<b>Auditor</b>	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ

## Directors' report

The Directors present their Report and the Financial Statements of the company for the year ended 30 September 2015.

### Principal activity and business review

The Company's principal business is that of a holding company.

### Acquisition and disposal

On 21 September 2015 Fogarty Holdings Limited and subsidiaries was acquired by Dunelm (Soft Furnishings) Limited for a consideration of £5 million. Subsequent to this transaction Fogarty Holdings Limited sold 100% of its investment in Fogarty (Filled Products) Limited and Fogarty (Contracts) Limited to The Boston Quilt Pillow Co Limited for a consideration of £250,000.

### Results

The results for the company show a loss before taxation of £371,000 (2014: profit of £59,000).

### Directors

The Directors of the Company who served during the year were as follows:

SG MacDonald	(resigned 21 September 2015)
GJ Tawton	(resigned 21 September 2015)
H Dharamsey	(resigned 21 September 2015)
WL Adderley	(appointed 21 September 2015)
DA Stead	(appointed 21 September 2015, resigned 31 December 2015)
JJ Browett	(appointed 21 September 2015)
KW Down	(appointed 7 December 2015)

### Dividends

The Directors do not recommend the payment of a dividend (2014: £nil).

### Going concern

The Directors have made appropriate enquiries and formed a judgement at the time of approving the financial statements that, although making a loss in the financial year, there is reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Dunelm (Soft Furnishings) Limited have stated their intent to provide financial support for at least 12 months following the signing date of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

### 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 auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board:



Keith Down  
Director

Date 27 January 2016

Watermead Business Park  
Syston  
Leicestershire  
LE7 1AD

## **Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing the 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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



## **Independent auditors' report to the members of Fogarty Holdings Limited**

We have audited the financial statements of Fogarty Holdings Limited for the year ended 30 September 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the company's state of affairs as at 30 September 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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' Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 from the requirement to prepare a strategic report.

**Tim Widdas** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham NG1 6FQ

Date 1/2/16

**Profit and loss account**  
*for the year ended 30 September 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>Turnover</b>		<b>456</b>	<b>568</b>
Administrative expenses		<b>(456)</b>	<b>(508)</b>
		<hr/>	<hr/>
<i>Operating result/profit before exceptional costs</i>		<i>-</i>	<i>60</i>
<i>Exceptional costs</i>	<i>2</i>	<b>(369)</b>	<i>-</i>
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	<i>2</i>	<b>(369)</b>	<i>60</i>
Interest payable and similar charges	<i>3</i>	<b>(2)</b>	<b>(1)</b>
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(371)</b>	<i>59</i>
Tax on (loss)/profit on ordinary activities	<i>4</i>	<i>-</i>	<b>(59)</b>
		<hr/>	<hr/>
<b>(Loss)/result on ordinary activities after taxation</b>	<i>10</i>	<b>(371)</b>	<i>-</i>
		<hr/> <hr/>	<hr/> <hr/>

During the year the company was acquired by Dunelm (Soft Furnishings) Limited. Refer to note 14 for further detail.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet**  
as at 30 September 2015

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Investments	5	-	1
<b>Current assets</b>			
Debtors	6	250	795
		<u>250</u>	<u>795</u>
<b>Creditors: amounts falling due within one year</b>	7	-	(75)
		<u>-</u>	<u>(75)</u>
<b>Net current assets</b>		250	720
<b>Total assets less current liabilities</b>		<u>250</u>	<u>721</u>
<b>Creditors: amounts falling due after more than one year</b>	8	-	(100)
		<u>-</u>	<u>(100)</u>
<b>Net assets</b>		<u>250</u>	<u>621</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Capital redemption reserve	9	1	1
Profit and loss account	10	247	618
		<u>250</u>	<u>621</u>
<b>Shareholders' funds</b>	11	<u>250</u>	<u>621</u>

These financial statements were approved by the board on 27 January 2016 and signed on its behalf by:



**Keith Down**  
Director

Company registered number: 04292372



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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 have been prepared, in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS1 (revised) the company is exempt from the requirement to prepare a cash flow on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Dunelm (Soft Furnishings) Limited, 100% of the company's voting rights are controlled within the group headed by Dunelm Group plc, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group.

#### *Going concern basis*

Fogarty Holdings Limited is a subsidiary of the Dunelm Group, which has considerable financial resources together with an established reputation in the retail sector across the UK. As stated in the director's report on page 2 of this report, the group will continue to provide financial support for at least the next 12 months. Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

#### *Turnover*

Turnover represents a management charge from the Group to its subsidiaries for services performed during the year.

#### *Investments*

Investments in subsidiaries are stated at cost less any impairment in either the current or prior years.

#### *Taxation*

The charge or credit for taxation is based on the results for the year as adjusted for disallowable items and the prevailing Corporation Tax rate. Deferred taxation is provided for using the full provision method in accordance with the Financial Reporting Standard 19 'Deferred Taxation'. Deferred tax assets are recognised to the extent that the Directors regard them as recoverable.

#### *Foreign currencies*

Exchange differences arising from normal trading activities are included in the results on ordinary activities. Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date, or the contract rate when covered by a forward contract.

### 2 Operating (loss)/profit

	2015 £000	2014 £000
<i>Operating (loss)/profit is stated after charging:</i>		
Impairment of investment	369	-
<i>Amounts receivable by the auditors and their associates in respect of:</i>		
Audit of these financial statements	-	4
Other services relating to taxation	-	2
	<hr/>	<hr/>

During the year an impairment charge of £369,000 was recorded to write down the value of the investment in Fogarty (Filled Products) Limited and Fogarty (Contracts) Limited to its net realisable value. Amounts receivable by the auditors and their associates have been taken by Dunelm (Soft Furnishings) Limited in 2015.

## Notes (continued)

### 3 Interest payable and similar charges

	2015 £000	2014 £000
Loan interest	2	1

### 4 Taxation on (loss)/profit on ordinary activities

#### Analysis of tax charge for the year:

	2015 £000	2014 £000
<i>Current tax:</i>		
UK corporation tax on (loss)/profit for the year at 20.5% (2014: 22%)	-	59
Total current tax charge	-	59
Tax on (loss)/profit on ordinary activities	-	59

#### Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2014: higher) than the average standard rate of corporation tax in the United Kingdom of 20.5% (2014: 22%). The differences are explained below:

	2015 £000	2014 £000
<i>Current tax reconciliation:</i>		
(Loss)/profit on ordinary activities before taxation	(371)	59
(Loss)/profit on ordinary activities before taxation multiplied by the average standard rate of corporation tax in the UK of 22% (2014: 23.5%)	(82)	14
<i>Effects of:</i>		
Disallowable items	82	-
Surrender of profit through group relief	-	45
Total current tax charge	-	59

#### Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantive enacted on 2 July 2013. In the budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future tax charge accordingly.

## Notes (continued)

### 5 Investment

	2015 £000	2014 £000
<i>Subsidiary companies:</i>		
At the beginning of the year	1	1
Additions	618	-
Disposal	(250)	-
Impairment	(369)	-
	<hr/>	<hr/>
At the end of the year	-	1
	<hr/>	<hr/>

During the year Fogarty Holdings Limited made a further investment of £349,589 in Fogarty (Filled Products) Limited and £268,908 in Fogarty (Contracts) Limited, both companies that were formerly part of the Fogarty Group.

On 21 September 2015 the company sold the investment in Fogarty (Filled Products) Limited and Fogarty (Contracts) Limited for a total consideration of £250,000. An impairment charge of £369,000 was recorded in the financial statements prior to this sale to reduce the value of the investments to their realisable value.

### 6 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	250	795
	<hr/>	<hr/>

### 7 Creditors: amounts falling due with one year

	2015 £000	2014 £000
Loan stock and other loans (note 8)	-	25
Other taxation and social security	-	50
	<hr/>	<hr/>
	-	75
	<hr/>	<hr/>

## Notes (continued)

### 8 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Loan stock and other loans	-	100
	<u>-</u>	<u>100</u>
Loans stock and other loans	<u>-</u>	<u>100</u>
	2015 £000	2014 £000
<i>Repayable:</i>		
in one year or less	-	25
between one and two years	-	25
between two and five years	-	75
	<u>-</u>	<u>125</u>
	<u>-</u>	<u>125</u>

In the prior year 'A' loan notes of £125,000 are subject to interest at the Bank's base rate and were repayable in equal annual instalments between 2015 and 2019 to the PPF, a former shareholder in the Company. These loan notes were settled prior to the acquisition of the company by Dunelm (Soft Furnishings) Limited.

### 9 Share capital

	2015 £000	2014 £000
<b>Group and Company</b>		
<i>Issued and fully paid:</i>		
1,318 ordinary shares of £1 each	1	1
650 'A' ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>
Capital redemption reserve	<u>1</u>	<u>1</u>

The ordinary shares have full voting rights while class A shares have no voting rights.

### 10 Profit and loss reserve

	£000
As at 1 October 2014	618
Loss for the financial year	(371)
As at 30 September 2015	<u>247</u>

## Notes (continued)

### 11 Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000
(Loss)/profit for the financial year	(371)	-
Net movement in shareholders' funds	(371)	-
Opening shareholders' funds	621	621
Closing shareholders' funds	250	621

### 12 Employees' and directors' remuneration

The only persons employed by the group were the directors. Remuneration for these directors is shown below.

Amounts paid in respect of the services of directors comprised:

	2015 £000	2014 £000
In respect of directors' services	456	532

The aggregate remuneration of the highest paid director was £178,000 (2014: £170,000).

Remuneration payable to the directors was all incurred prior to the acquisition of Fogarty Holdings Limited and its subsidiaries by Dunelm (Soft Furnishings) Limited on 21 September 2015. Directors' remuneration was recharged to subsidiary undertakings when paid. Remuneration paid to directors after 21 September 2015 was £nil. No money purchase pension scheme was operated by the company during the year.

### 13 Capital commitments

The Company has no capital commitments.

### 14 Acquisition and disposal

On 21 September 2015 Fogarty Holdings Limited and its subsidiaries was acquired by Dunelm (Soft Furnishings) Limited for a consideration of £5 million. Subsequent to this transaction Fogarty Holdings Limited sold 100% of its investment in both Fogarty (Filled Products) and Fogarty (Contracts) Limited to The Boston Quilt Pillow Co Limited for a consideration of £250,000.

### 15 Related party transactions

The Company has taken advantage of the exemption contained within Financial Reporting Standard 8 and has not disclosed transactions or balances with entities that form part of the Group. No other related party transactions were undertaken by the Company.

Dunelm Group plc is the ultimate parent company and is incorporated in the United Kingdom. The consolidated financial statements of the group are available to the public and may be obtained from the address on page 3.