

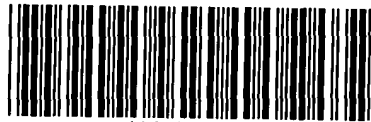
Gradus Group Holdings No. 1 Limited

Directors' report and financial statements

Registered number 04312669

Year ended 31 December 2016

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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the Company is that of a holding company.

Results and dividends

The result for the year amounted to £nil (2015: £nil).

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who held office during the year, were as follows:

D Tierney (resigned 31/05/2016)
SA Watt
CW Rice
PDM Puech
EJM Phelippeau
PM Lienhard
PDD Convers

Qualifying third party indemnity provisions

Appropriate directors' and officers' liability insurance cover is in place in respect of all the Company's directors.

Political and charitable donations

During the year, the Company did not make any political or charitable donations (2015: £nil).

Disclosure of information to auditor

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.

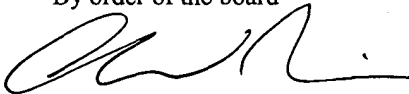
Auditor

Mazars LLP were appointed as Auditor during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Strategic Report

As permitted by section 414B of the Companies Act 2006, the company is entitled to the small companies' exemption in relation to the preparation of a strategic report.

By order of the board



CW Rice

Secretary

Date: 17 March 2017

Statement of directors' responsibilities in respect of 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 applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Accounting Standards 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;
- 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 the 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 Gradus Group Holdings No. 1 Limited

We have audited the financial statements of Gradus Group Holdings No. 1 Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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. 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.

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.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its result 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report.

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.



Paul Lucas (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 17 March 2017

Profit and Loss Account
for the year ended 31 December 2016

	2016 £	2015 £
Turnover	-	-
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit for the financial year	-	-

The notes on pages 7 to 10 form part of these financial statements.

The company had no recognised gains or losses other than the profit for the financial year as set out above.

Balance Sheet
at 31 December 2016

	<i>Note</i>	2016 £	2015 £
Fixed assets			
Investments	3	1	1
Current assets			
Debtors	4	26,723,056	26,723,056
		<u>26,723,056</u>	<u>26,723,056</u>
Creditors: amounts falling due within one year	5	<u>25,723,057</u>	<u>25,723,057</u>
Net current assets		<u>999,999</u>	<u>999,999</u>
Total assets less current liabilities		<u>1,000,000</u>	<u>1,000,000</u>
Net assets		<u>1,000,000</u>	<u>1,000,000</u>
Capital and reserves			
Called up share capital	6	10,000	10,000
Share premium	7	990,000	990,000
Profit and loss account	7	-	-
Shareholders' funds	8	<u>1,000,000</u>	<u>1,000,000</u>

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 17 March 2017 and were signed on its behalf by:



SA Watt
Director

Registered number: 04312669

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and republic of Ireland ("FRS 102"). As the Company has met the Companies Act 2006 definition of a dormant company as at and since the date of transition the accounting policies applied at the date of transition under previous GAAP have been retained as permitted by paragraph 10(m) of chapter 35 of FRS 102. As a result there will be no change to amounts reporting at 1 January 2014 until there is any change to those balances or the Company undertakes any new transactions.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The directors, having assessed the responses of the directors of the Company's parent Gradus Group Holdings Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Gradus Group Holdings Limited, the company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The Company is exempt from the requirement to prepare a cash flow statement due to the exemption contained in Section 1.12(b) of FRS102.

Related party transactions

As the Company is a wholly owned subsidiary of Gradus Group Holdings Limited, the Company has taken advantage of the exemption contained in Section 33.1A of FRS102 and has therefore not disclosed transactions or balances with other wholly owned entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Midfloor SAS, within which this company is included, can be obtained from Chapel Mill, Park Green, Macclesfield, Cheshire, SK11 7LZ.

Investments

Investments are stated at cost, less any provision for diminution in value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting policies. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes (continued)

2 Directors' remuneration, staff numbers and costs

Certain costs including staff related costs, auditors remuneration and operating leases are borne by another group company of the Gradus Group Holdings Limited group. None of the directors received any remuneration from the company in respect of their services during the year nil (2015: £nil).

3 Fixed asset investments

	Shares in group undertakings
	£
<i>Cost</i>	
At beginning and end of year	1
	<hr/>
<i>Net book value</i>	
At 31 December 2016	1
	<hr/>
At 31 December 2015	1
	<hr/>

The principal undertakings in which the group's interest at the year-end is more than 20% are as follows:

<i>Subsidiary undertakings</i>	Country of incorporation	Principal Activity	Class and percentage of shares held
<i>Direct holding</i>			
Gradus Group Holdings No. 2 Limited	England	Holding company	100% ordinary shares
<i>Indirect holding</i>			
Gradus Group Limited	England	Dormant	100% ordinary shares
Gradus Limited	England	Manufacturer of stair edgings, floor trims and associated products	100% ordinary shares
Gradus Fabrics Limited	England	Non-trading	100% ordinary shares
Décor Fabrications Limited	England	Dormant	100% ordinary shares
Gradus Group Trustee Limited	England	Dormant	100% ordinary shares
Genus Group Limited	England	Dormant	100% ordinary shares
Gradus Carpets Limited	England	Dormant	100% ordinary shares
Gradus Sarl	France	Seller and distributor of stair edgings, floor trims and associated products	100% ordinary shares

Notes (continued)

4 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	26,723,056	26,723,056
	<u>26,723,056</u>	<u>26,723,056</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	25,723,057	25,723,057
	<u>25,723,057</u>	<u>25,723,057</u>

6 Called up share capital

	2016 £	2015 £
<i>Authorised</i>		
220,000 ordinary shares (2015: 220,000) of 1 pence each	2,200	2,200
780,000 'A' ordinary shares (2015: 780,000) of 1 pence each	7,800	7,800
	<u>10,000</u>	<u>10,000</u>
<i>Allotted, called up and fully paid</i>		
220,000 ordinary shares (2015: 220,000) of 1 pence each	2,200	2,200
780,000 'A' ordinary shares (2015: 780,000) of 1 pence each	7,800	7,800
	<u>10,000</u>	<u>10,000</u>

Dividend rights

The following rights attach to the 'A' ordinary shares.

Any dividend declared by the company shall be paid on the 'A' ordinary shares and ordinary shares pari passu as if they were all shares of the same class.

Conversion

The investors shall be entitled to convert the whole of the 'A' ordinary shares into fully paid ordinary shares immediately prior to the company either being sold or floated.

Events on a winding up

On a winding up, the holder of the 'A' ordinary shares would receive an amount in respect of each share held equal to the amount paid up thereon (including any premium). Thereafter, subject to the payment of all amounts payable to ordinary shares being equal to amounts paid up, the surplus will be distributed amongst the holders of ordinary shares and 'A' ordinary shares pari passu.

Voting rights

Ordinary shares and 'A' ordinary shares carry equal voting rights.

Notes (continued)

7 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning of year	990,000	-
Profit for the financial year	-	-
At end of year	<u>990,000</u>	<u>-</u>

8 Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Profit for the financial year	-	-
Opening shareholders' funds	<u>1,000,000</u>	<u>1,000,000</u>
Closing shareholders' funds	<u>1,000,000</u>	<u>1,000,000</u>

9 Ultimate parent company and controlling party

The Company is a subsidiary undertaking of Gradus Group Holdings Limited, a company registered in England and Wales. The ultimate parent company and controlling party is Midfloor SAS a company registered in France. The consolidated financial statements of this company are available to the public and may be obtained from Chapel Mill, Park Green, Macclesfield, Cheshire, SK11 7LZ.