

# Financial Statements

## Interfloor Industries Limited

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for the period ended 1 June 2013

**Registered number: 4417189**

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## **Interfloor Industries Limited**

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## **Interfloor Industries Limited**

### **Directors' Report**

*for the period ended 1 June 2013*

The Directors present their report and the financial statements for the period ended 1 June 2013

#### **Principal activity**

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.

#### **Results**

The profit for the period, after taxation, amounted to £7,500,000 (2012: £nil). Details of dividends paid during the period are included in note 10.

#### **Directors**

The Directors who served during the period were

P Reeder  
M Taylor

#### **Disclosure 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 relevant audit information 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 **28 August 2013** and signed on its behalf



**M Taylor**  
Director

## **Interfloor Industries Limited**

### **Directors' Responsibilities Statement** *for the period ended 1 June 2013*

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 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,
- 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 Interfloor Industries Limited**

We have audited the financial statements of Interfloor Industries Limited for the period ended 1 June 2013, which comprise the Profit and loss account, 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 (APB'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](http://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 1 June 2013 and of its profit 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 Interfloor Industries 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

*Grant Thornton UK LLP*

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

*22 August 2013*

## **Interfloor Industries Limited**

### **Profit and Loss Account** *for the period ended 1 June 2013*

		<b>52 weeks ended 1 June 2013 £000</b>	<b>52 weeks ended 2 June 2012 £000</b>
	<b>Note</b>		
Income from shares in group undertakings		<b>7,500</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>7,500</b>	-
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial period</b>	8	<b>7,500</b>	-

All amounts relate to continuing operations

The notes on pages 7 to 12 form part of these financial statements

**Interfloor Industries Limited**  
**Registered number: 4417189**

**Balance Sheet**  
*as at 1 June 2013*

	<b>Note</b>	<b>2013 £000</b>	<b>2012 £000</b>
<b>Fixed assets</b>			
Investments	5	22,501	22,501
<b>Creditors: amounts falling due within one year</b>	6	(21,074)	(21,074)
<b>Net assets</b>		<u>1,427</u>	<u>1,427</u>
<b>Capital and reserves</b>			
Called up share capital	7	984	984
Profit and loss account	8	<u>443</u>	<u>443</u>
<b>Shareholders' funds</b>	9	<u>1,427</u>	<u>1,427</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
**28 August 2013**



**M Taylor**  
Director

The notes on pages 7 to 12 form part of these financial statements



## **Interfloor Industries Limited**

### **Notes to the Financial Statements** *for the period ended 1 June 2013*

#### **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.

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.

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 12.

##### **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 as fixed assets are shown at cost less provision for diminution in value.

## **Interfloor Industries Limited**

### **Notes to the Financial Statements** *for the period ended 1 June 2013*

#### **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

## Interfloor Industries Limited

### Notes to the Financial Statements for the period ended 1 June 2013

#### 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.

#### 3. Operating profit

During the period, no Director received any emoluments (2012 - £NIL)

#### 4. Taxation

	52 weeks ended 1 June 2013 £000	52 weeks ended 2 June 2012 £000
UK corporation tax charge on profit for the period	-	-

#### Factors affecting tax charge for the period

The tax assessed for the period is lower than (2012 - the same as) the standard rate of corporation tax in the UK of 23.83% (2012 - 25.67%). The differences are explained below:

	52 weeks ended 1 June 2013 £000	52 weeks ended 2 June 2012 £000
Profit on ordinary activities before tax	7,500	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.83% (2012 - 25.67%)	1,787	-
Effects of:		
Non-taxable income	(1,787)	-
Current tax charge for the period (see note above)	-	-

## Interfloor Industries Limited

### Notes to the Financial Statements for the period ended 1 June 2013

#### 5. Fixed asset investments

			Subsidiary under- takings £000
<b>Cost</b>			
At 3 June 2012 and 1 June 2013			<b>22,501</b>
Company name	Class of shares held	Principal activity	
Interfloor Holdings Limited	Ordinary shares of £1 each	Intermediate holding company	
Duralay International Holdings Limited *	Ordinary shares of £0 10 each A Ordinary shares of \$1 each	Intermediate holding company	
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			

#### 6 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	<b>21,074</b>	<b>21,074</b>

# Interfloor Industries Limited

## Notes to the Financial Statements for the period ended 1 June 2013

### 7 Share capital

	2013 £000	2012 £000
<b>Authorised</b>		
850,000 'A' ordinary shares of £1 each	850	850
150,000 'B' ordinary shares of £1 each	150	150
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
850,000 'A' ordinary shares of £1 each	850	850
133,500 'B' ordinary shares of £1 each	134	134
	<u>984</u>	<u>984</u>

### 8. Profit and loss account

	Profit and loss account £000
At 3 June 2012	443
Profit for the period	7,500
Dividends (Note 10)	(7,500)
	<u>443</u>
At 1 June 2013	<u>443</u>

### 9 Reconciliation of movement in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	1,427	1,427
Profit for the financial period	7,500	-
Dividends (Note 10)	(7,500)	-
	<u>1,427</u>	<u>1,427</u>
Closing shareholders' funds	<u>1,427</u>	<u>1,427</u>

## Interfloor Industries Limited

### Notes to the Financial Statements for the period ended 1 June 2013

#### 10. Dividends

	52 weeks ended 1 June 2013 £000	52 weeks ended 2 June 2012 £000
Dividends paid on equity capital	<u>7,500</u>	<u>-</u>

#### 11. Guarantees and financial commitments

The Company has a composite guarantee and debenture with other group companies Interfloor Group Limited, Interfloor Operations Limited, Interfloor Holdings Limited, Interfloor Limited, Duralay International Holdings 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 £28,937,000 (2012 £29,871,000) was outstanding under this agreement.

#### 12. Ultimate parent undertaking and controlling party

At the balance sheet date the Company's immediate parent undertaking was Interfloor Operations 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.