

# Financial Statements Interfloor Holdings Limited

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for the period ended 2 June 2012



Registered number: 4425809

## **Interfloor Holdings Limited**

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## **Interfloor Holdings Limited**

### **Directors' Report**

*for the period ended 2 June 2012*

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

#### **Principal activity**

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

#### **Directors**

The Directors who served during the period were

P Reeder  
M Taylor

#### **Provision of information to auditor**

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

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

#### **Auditor**

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

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



**M Taylor**  
Director

## **Interfloor Holdings Limited**

### **Directors' Responsibilities Statement**

*for the period ended 2 June 2012*

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent Auditor's Report to the Members of Interfloor Holdings Limited**

We have audited the financial statements of Interfloor Holdings Limited for the period ended 2 June 2012, which comprise the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](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 2 June 2012 and of its results for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



## **Independent Auditor's Report to the Members of Interfloor Holdings Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

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

Kevin Engel (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

Manchester

21 September 2012

**Interfloor Holdings Limited**  
**Registered number: 4425809**

**Balance Sheet**  
*as at 2 June 2012*

	Note	£000	2012 £000	2011 £000
<b>Fixed assets</b>				
Investments	3		8,522	8,522
<b>Current assets</b>				
Debtors	4	15,277		15,277
<b>Creditors:</b> amounts falling due within one year	5	(842)	(842)	
<b>Net current assets</b>			<u>14,435</u>	<u>14,435</u>
<b>Total assets less current liabilities</b>			<u><u>22,957</u></u>	<u><u>22,957</u></u>
<b>Capital and reserves</b>				
Called up share capital	6		22,500	22,500
Profit and loss account	7		457	457
<b>Shareholders' funds</b>	8		<u><u>22,957</u></u>	<u><u>22,957</u></u>

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

The notes on pages 6 to 10 form part of these financial statements



**M Taylor**  
Director

## **Interfloor Holdings Limited**

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

#### **1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in respect 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 itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

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

##### **1.2 Cash flow**

Under Financial Reporting Standard 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

##### **1.3 Investments**

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

##### **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.



## **Interfloor Holdings Limited**

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

#### **1. Accounting policies (continued)**

##### **1.5 Financial guarantees**

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

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

##### **1.6 Dividends on shares presented within equity**

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

#### **2. Directors and employees**

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

## Interfloor Holdings Limited

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

#### 3. Fixed asset investments

	Subsidiary under- takings £000
<b>Cost</b>	
At 5 June 2011 and 2 June 2012	8,522
<b>Net book value</b>	
At 2 June 2012	8,522
At 4 June 2011	8,522

Company name	Class of shares held	Principal activity
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

#### 4. Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	15,277	15,277

## Interfloor Holdings Limited

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

#### 5. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	<u>842</u>	<u>842</u>

#### 6. Share capital

	2012 £000	2011 £000
<b>Authorised</b>		
22,501,000 ordinary shares of £1 each	<u>22,501</u>	<u>22,501</u>
<b>Allotted, called up and fully paid</b>		
22,500,001 ordinary shares of £1 each	<u>22,500</u>	<u>22,500</u>

#### 7. Reserves

	<b>Profit and loss account £000</b>
At 5 June 2011 and 2 June 2012	<u>457</u>

#### 8 Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening and closing shareholders' funds	<u>22,957</u>	<u>22,957</u>

#### 9 Contingent liability

The Company has a composite guarantee and debenture with other group companies Interfloor Group Limited, Interfloor Operations Limited, Interfloor Industries 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 £29,871,000 (2011 £30,855,000) was outstanding under this agreement.

## **Interfloor Holdings Limited**

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

#### **10. Ultimate parent undertaking and controlling party**

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

#### **11. Post balance sheet events**

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