

# Financial Statements Interfloor Holdings Limited

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For the period ended 31 May 2014

Registered number: 4425809

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## **Interfloor Holdings Limited**

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**Interfloor Holdings Limited**

**Directors' Report**

*For the period ended 31 May 2014*

The Directors present their report and the financial statements for the period ended 31 May 2014.

**Principal Activity and Results**

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.

The profit for the period, after taxation, amounted to £Nil (2013: £7,500,000). The Directors do not recommend the payment of a dividend (2013: £7,500,000).

**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 9 September 2014 and signed on its behalf.



M Taylor  
Director

## **Interfloor Holdings Limited**

### **Directors' Responsibilities Statement** *for the period ended 31 May 2014*

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 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 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 31 May 2014, 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 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 Financial Reporting Council'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 31 May 2014 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.



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

### **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.

### **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 from the requirement to prepare a strategic report or in preparing the Directors' report.

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

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

16 September 2014

**Interfloor Holdings Limited**

**Profit and Loss Account**  
*for the period ended 31 May 2014*

		<b>52 weeks ended 31 May 2014 £000</b>	<b>52 weeks ended 1 June 2013 £000</b>
	<b>Note</b>		
Income from shares in group undertakings		-	7,500
<b>Profit on ordinary activities before taxation</b>		-	7,500
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial period</b>	9	-	7,500

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

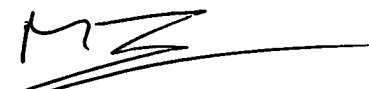
The company has not traded during the period. During this period, the company received no income and incurred no expenditure and therefore made neither profit or loss.

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

**Balance Sheet**  
**as at 31 May 2014**

	Note	£000	31 May 2014 £000	£000	1 June 2013 £000
<b>Fixed assets</b>					
Investments	5		8,522		8,522
<b>Current assets</b>					
Debtors	6	15,277		15,277	
<b>Creditors:</b> amounts falling due within one year	7	(842)		(842)	
<b>Net current assets</b>			14,435		14,435
<b>Net assets</b>			22,957		22,957
<b>Capital and reserves</b>					
Called up share capital	8		22,500		22,500
Profit and loss account	9		457		457
<b>Shareholders' funds</b>	10		22,957		22,957

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 September 2014.



M Taylor  
Director

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



**Notes to the Financial Statements**  
***For the period ended 31 May 2014***

**1. Accounting Policies**

**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 it 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 13.

**1.2 Cash flow**

The company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under section 444 of the Companies Act 2006 when filing accounts with the Registrar of Companies.

**1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

**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.

**Notes to the Financial Statements**  
*For the period ended 31 May 2014*

**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.

**Interfloor Holdings Limited**

**Notes to the Financial Statements**  
***For the period ended 31 May 2014***

**2. Operating profit**

During the period, no Director received any emoluments (2013: £Nil).

**3. 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.

**4. Taxation**

	<b>52 weeks ended 31 May 2014 £000</b>	<b>52 weeks ended 1 June 2013 £000</b>
UK corporation tax charge on profit for the period	-	-

**Factors affecting tax charge for the period**

The tax assessed for the period is the same as (2013 - lower than) the standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%). The differences are explained below:

	<b>52 weeks ended 31 May 2014 £000</b>	<b>52 weeks ended 1 June 2013 £000</b>
Profit on ordinary activities before tax	-	7,500
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.67% (2013 - 23.83%)	-	1,787
<b>Effects of:</b>		
Non-taxable income	-	(1,787)
<b>Current tax charge for the period (see note above)</b>	-	-

**Interfloor Holdings Limited**

**Notes to the Financial Statements**  
**For the period ended 31 May 2014**

**5. Fixed asset investments**

	<b>Subsidiary under- takings £000</b>
<b>Cost</b>	
At 2 June 2013 and 31 May 2014	<b>8,522</b>

<b>Company name</b>	<b>Class of shares held</b>	<b>Percentage Shareholding</b>	<b>Principal activity</b>
Duralay International Holdings Limited	Ordinary shares of £0.10 each A Ordinary shares of \$1 each	100	Intermediate holding company
Interfloor Limited *	Ordinary shares of \$1 each Deferred shares of 0.25p each	100	Manufacture of underlay and related products
Interfloor Trustees Limited *	Ordinary shares of £1 each	100	Dormant
Interfloor Investments Limited*	Ordinary shares of £1 each	100	Dormant
Presbury Properties Limited *	Ordinary shares of £1 each	100	Property investments
Tacktrim Limited *	Ordinary shares of £1 each	100	Dormant
Stikatak Limited *	Ordinary shares of £1 each	100	Non-trading

\* indirect holding

**6. Debtors**

	<b>31 May 2014 £000</b>	<b>1 June 2013 £000</b>
Amounts owed by group undertakings	<b>15,277</b>	<b>15,277</b>

**7. Creditors: Amounts falling due within one year**

	<b>31 May 2014 £000</b>	<b>1 June 2013 £000</b>
Amounts owed to group undertakings	<b>842</b>	<b>842</b>

**Interfloor Holdings Limited**

**Notes to the Financial Statements**  
***For the period ended 31 May 2014***

**8. Share capital**

	<b>31 May 2014 £000</b>	<b>1 June 2013 £000</b>
<b>Authorised</b>		
22,501,000 ordinary shares of £1 each	<u><b>22,501</b></u>	<u><b>22,501</b></u>
<b>Allotted, called up and fully paid</b>		
22,500,001 ordinary shares of £1 each	<u><b>22,500</b></u>	<u><b>22,500</b></u>

**9. Reserves**

	<b>Profit and loss account £000</b>
At 2 June 2013 and 31 May 2014	<u><b>457</b></u>

**10. Reconciliation of movement in shareholders' funds**

	<b>31 May 2014 £000</b>	<b>1 June 2013 £000</b>
Opening shareholders' funds	<b>22,957</b>	<b>22,957</b>
Profit for the financial period	-	<b>7,500</b>
Dividends (Note 11)	-	<b>(7,500)</b>
Closing shareholders' funds	<u><b>22,957</b></u>	<u><b>22,957</b></u>

**11. Dividends**

	<b>52 weeks ended 31 May 2014 £000</b>	<b>52 weeks ended 1 June 2013 £000</b>
Dividends paid on equity capital	<u><b>-</b></u>	<u><b>7,500</b></u>

## **Interfloor Holdings Limited**

### **Notes to the Financial Statements**

*For the period ended 31 May 2014*

#### **12. Guarantees and financial commitments**

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 £26,268,000 (2013: £28,937,000) was outstanding under this agreement.

#### **13. Ultimate parent undertaking and controlling part**

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.