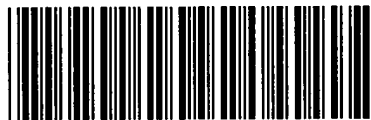


Thomas Witter Carpets Limited
Financial Statements
2 April 2016

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Thomas Witter Carpets Limited

Financial Statements

Period from 29 March 2015 to 2 April 2016

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Thomas Witter Carpets Limited

Officers and Professional Advisers

The board of directors	Mr G B Wilding Mr S Byrne
Company secretary	Mr K Campbell
Registered office	Park View Road East Hartlepool TS25 1HT
Auditor	Grant Thornton UK LLP Chartered accountant & statutory auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN
Bankers	HSBC Bank plc York Road Hartlepool TS26 9DF
Solicitors	Archers Law Lakeside House Kingfisher Way Stockton-on-Tees TS18 3NB

Thomas Witter Carpets Limited

Directors' Report

Period from 29 March 2015 to 2 April 2016

The directors present their report and the financial statements of the company for the period ended 2 April 2016.

Directors

The directors who served the company during the period were as follows:

Mr G B Wilding
Mr S Byrne

Principal activity

The principal activity of the company during the year was that of carpet and carpet accessory distributor.

Directors' responsibilities statement

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 period. 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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Grant Thornton UK LLP, who were appointed in the year, has expressed its willingness to continue as auditors and a resolution will be proposed at the forthcoming Annual General Meeting.

Thomas Witter Carpets Limited

Directors' Report *(continued)*

Period from 29 March 2015 to 2 April 2016

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 21 November 2016 and signed on behalf of the board by:



Mr S Byrne
Director

Thomas Witter Carpets Limited

Independent Auditor's Report to the Members of Thomas Witter Carpets Limited

Period from 29 March 2015 to 2 April 2016

We have audited the financial statements of Thomas Witter Carpets Limited for the period ended 2 April 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 101 "Reduced Disclosure Framework".

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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 April 2016 and of its loss 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.

Thomas Witter Carpets Limited

Independent Auditor's Report to the Members of Thomas Witter Carpets Limited *(continued)*

Period from 29 March 2015 to 2 April 2016

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; and
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Wood (Senior Statutory Auditor)

For and on behalf of
Grant Thornton UK LLP
Chartered accountant & statutory auditor
No 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

21 November 2016

Thomas Witter Carpets Limited

Statement of Comprehensive Income

Period from 29 March 2015 to 2 April 2016

		Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15 (restated)
	Note	£	£
Turnover	3	3,541,099	2,278,454
Cost of sales		(2,925,601)	(1,859,654)
Gross profit		615,498	418,800
Distribution costs		(80,201)	(67,180)
Administrative expenses		(493,713)	(263,026)
Other operating income	4	703	320
Operating profit	5	42,287	88,914
Interest payable and similar charges	8	(43,118)	(32,660)
(Loss)/profit on ordinary activities before taxation		(831)	56,254
Tax (credit)expense	9	(1,109)	868
(Loss)/profit for the financial period and total comprehensive (expense)/income		(1,940)	57,122

All the activities of the company are from continuing operations.

The notes on pages 9 to 19 form part of these financial statements.

Thomas Witter Carpets Limited

Statement of Financial Position

2 April 2016

		2 Apr 16		28 Mar 15 (restated)
	Note	£	£	£
Fixed assets				
Tangible assets	10		147,407	157,128
Current assets				
Stocks	11	1,703,538		1,481,240
Debtors	12	682,401		699,588
		<u>2,385,939</u>		<u>2,180,828</u>
Creditors: amounts falling due within one year	14	<u>(2,446,879)</u>		<u>(2,221,637)</u>
Net current liabilities			<u>(60,940)</u>	<u>(40,809)</u>
Total assets less current liabilities			<u>86,467</u>	<u>116,319</u>
Provisions				
Taxation including deferred tax	16		<u>28,780</u>	<u>868</u>
Net assets			<u><u>115,247</u></u>	<u><u>117,187</u></u>
Capital and reserves				
Called up share capital	19		<u>1,000</u>	<u>1,000</u>
Retained earnings	20		<u>114,247</u>	<u>116,187</u>
Shareholders funds			<u><u>115,247</u></u>	<u><u>117,187</u></u>

These financial statements were approved by the Board of directors and authorised for issue on 21 November 2016, and are signed on behalf of the Board by:


 Mr S. Byrne
 Director

Company registration number: 08421990

The notes on pages 9 to 19 form part of these financial statements.

Thomas Witter Carpets Limited

Statement of Changes in Equity

Period from 29 March 2015 to 2 April 2016

	Called up share capital £	Retained Earnings £	Total £
At 1 July 2014 (as restated)	1,000	59,065	60,065
Profit for the period		57,122	57,122
Total comprehensive income for the period	—	57,122	57,122
At 28 March 2015 (as restated)	1,000	116,187	117,187
Loss for the period		(1,940)	(1,940)
Total comprehensive income/(expense) for the period	—	(1,940)	(1,940)
At 2 April 2016	<u>1,000</u>	<u>114,247</u>	<u>115,247</u>

The notes on pages 9 to 19 form part of these financial statements.

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

1. Company information

The entity is a limited company incorporated and domiciled in England and Wales. The registered office is:

Park View Road East
Hartlepool
TS25 1HT

2. Accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The company's financial statements have been prepared on a historical cost basis.

The financial statements are presented in Sterling (£), which is also the company's functional currency.

2.2 Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 January 2014. An explanation of the transition is included in note 22 to the financial statements. In applying FRS 101 for the first time the company has applied early amendments to FRS 101 which permits a first time adopter not to present an opening statement of financial position at the beginning of the earliest comparative period.

The group has adopted a new accounting policy this year in relation to expenditure on sampling assets. The cost of these assets, which are retained in our customers' stores to assist in generating future revenue was previously expensed as incurred. Under the new policy, these assets are capitalised as fixed assets and depreciated. The full impact of the change in accounting policy is set out in Note 23 of the financial statements.

2.3 Disclosure exemptions adopted

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its financial statements are consolidated into the financial statements of Victoria Plc which can be obtained from its registered office, Worcester Road, Kidderminster, DY10 1JR. As such, advantage has been taken of the following disclosure exemptions available under FRS 101:

- (a) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
 - (b) the requirements of IAS7 Statement of Cash Flows;
 - (c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
 - (d) the requirement of paragraph 17 of IAS 24 Related Party Disclosures;
 - (e) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
 - (f) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
-

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

(g) the requirements of paragraphs IFRS 7 Financial Instruments: Disclosures.

2.4 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.5 Parent company

The Company is wholly owned subsidiary of Victoria Plc which prepares publicly available consolidated financial statements in accordance with IFRS. This company is included in the consolidated financial statements of Victoria Plc for the year ended 2 April 2016. These accounts are available from Victoria Plc, Worcester Road, Kidderminster, DY10 1JR.

2.6 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note to the accounts.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

2.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and others sales taxes. The following criteria must also be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

2.8 Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

2.9 Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss.

2.10 Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

2.11 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - straight line over 2 years

2.12 Stock

Stocks are measured at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition, as follows:

Raw materials and consumables - purchase cost on a first-in, first-out basis.

2.13 Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

of the discount is recognised as a finance cost in profit or loss in the period it arises.

2.14 Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2.15 Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.16 Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

Bank overdrafts are presented as part of current liabilities in the statement of financial position.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administration expenses.

The company's financial assets include trade debtors and other debtors.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The company's cash and cash equivalents, trade debtors and other debtors fall into this category of financial instrument.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

The company's financial liabilities include borrowings, trade creditors and other creditors.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

For group loans which are due on demand or where there is no significant difference between the amount due/payable and fair value on initial recognition then such loans are carried at the amount due/payable on an amortised cost basis.

3. Turnover

Turnover arises from:

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Sale of goods	<u>3,541,099</u>	<u>2,278,454</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
United Kingdom	3,526,302	2,278,454
Overseas	<u>14,797</u>	<u>-</u>
	<u>3,541,099</u>	<u>2,278,454</u>

4. Other operating income

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Other operating income	<u>703</u>	<u>320</u>

Other income relates to surcharges from customers when making payments by credit card.

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

5. Operating profit

Operating profit or loss is stated after charging:

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Depreciation of tangible assets	176,498	125,322
Foreign exchange differences	(1,463)	287
Defined contribution plans expense	731	60

6. Auditor's remuneration

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Fees payable for the audit of the financial statements	6,900	4,850

7. Staff costs

The average number of persons employed by the company during the period, including the directors, amounted to:

	2 Apr 16 No.	28 Mar 15 No.
Sales staff	2	2

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Wages and salaries	118,546	88,564
Social security costs	14,102	11,400
Other pension costs	731	60
	133,379	100,024

The directors did not receive any emoluments in respect of their services to the company.

8. Interest payable and similar charges

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Interest on bank overdrafts	43,118	32,660

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

9. Tax expense/(credit)

Major components of tax expense/(income)

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
Current tax:		
UK current tax expense	29,021	–
Deferred tax:		
Origination and reversal of timing differences	(27,912)	(868)
Tax expense/(Credit)	<u>1,109</u>	<u>(868)</u>

Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the period is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	Period from 29 Mar 15 to 2 Apr 16	Period from 1 Jul 14 to 28 Mar 15
	£	£
(Loss)/profit on ordinary activities before taxation	(831)	56,254
(Loss)/profit on ordinary activities by rate of tax	(168)	11,813
Effect of expenses not deductible for tax purposes	801	23
Other timing differences	474	(12,704)
Tax on (loss)/profit on ordinary activities	<u>1,109</u>	<u>(868)</u>

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

10. Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 29 March 2015 (as restated)	308,151	308,151
Additions	166,777	166,777
Disposals	(122,128)	(122,128)
At 2 April 2016	352,800	352,800
Depreciation		
At 29 March 2015	151,023	151,023
Charge for the period	176,498	176,498
Disposals	(122,128)	(122,128)
At 2 April 2016	205,393	205,393
Carrying amount		
At 2 April 2016	147,407	147,407
At 28 March 2015	157,128	157,128

11. Stocks

	2 Apr 16 £	28 Mar 15 £
Raw materials and consumables	1,703,538	1,481,240

There is no significant difference between the replacement cost of stock and its carrying amount.

Stock recognised in cost of sales during the year as an expense was £2,925,601 (2015: £1,859,653).

12. Debtors

	2 Apr 16 £	28 Mar 15 (restated) £
Trade debtors	546,941	692,394
Amounts owed by group undertakings	125,489	6,807
Prepayments and accrued income	425	387
Other debtors	9,546	–
	682,401	699,588

13. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2 Apr 16 £	28 Mar 15 £
Bank overdrafts	(1,536,913)	(1,458,936)

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

14. Creditors: amounts falling due within one year

	2 Apr 16	28 Mar 15
	£	£
Bank overdraft	1,536,913	1,458,936
Trade creditors	782,276	696,574
Amounts owed to group undertakings	15,208	—
Accruals and deferred income	74,960	18,791
Corporation tax	29,021	3,133
Social security and other taxes	4,059	37,262
Other creditors	4,442	6,941
	<u>2,446,879</u>	<u>2,221,637</u>

The bank overdraft is secured by both fixed and floating charges over certain of the company's assets.

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2 Apr 16	28 Mar 15
	£	£
Included in provisions (note 16)	<u>(28,780)</u>	<u>(868)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2 Apr 16	28 Mar 15
	£	£
Accelerated capital allowances	(27,830)	—
Unused tax losses	—	(68)
Deferred tax - other timing differences	<u>(950)</u>	<u>(800)</u>
	<u>(28,780)</u>	<u>(868)</u>

16. Provisions

	Deferred tax (note 15) £
At 29th March 2015	(868)
Additions	<u>(27,912)</u>
At 2nd April 2016	<u>(28,780)</u>

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £731 (2015: £60).

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

18. Called up share capital

Issued, called up and fully paid

	2 Apr 16		28 Mar 15	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. Reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - records retained earnings and accumulated losses.

20. Contingencies

HSBC plc hold an Unlimited Multilateral Guarantee dated 20 August 2013 given by Whitestone Weavers Limited, Thomas Witter Carpets Limited, Gaskell Mackay Carpets Limited, View Logistics Limited and Carpet Line Direct Limited.

21. Controlling party

The Company is controlled by its immediate parent company Whitestone Carpets Holdings Limited. The ultimate parent undertaking is Victoria Plc.

The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate parent company Victoria Plc are available from the address stated in note 1.

22. Transition to FRS 101

These are the first financial statements that comply with FRS 101. The company transitioned to FRS 101 on 1 July 2014.

No transitional adjustments were required in equity or profit or loss for the period.

23. Change in accounting policy and prior period adjustment

A new accounting policy has been adopted this year in relation to expenditure on sampling assets. Sampling assets consist of a variety of product samples and sample books, as well as point of sale stands designed to hold the samples. The cost of these assets was previously expensed as incurred. Under the new policy, these assets are capitalised as fixed assets and depreciated.

The company places sampling assets with retail customers for the purpose of helping to generate future customer sales, and therefore sales for the company. These assets are held by customers in their stores for a period of time until the introduction of new colours or a new range by the company, resulting in their replacement. As such, it has been deemed appropriate to capitalise these assets on the company's statement of financial position to reflect their existence and expected future economic benefit, and to depreciate to the income statement to match their cost against the revenue generated.

The company's accounts have been prepared on the basis of this new accounting policy, with a prior-year adjustment reflected in the comparable figures. This includes a fully retrospective

Thomas Witter Carpets Limited

Notes to the Financial Statements *(continued)*

Period from 29 March 2015 to 2 April 2016

adjustment to reflect the company's restated position and performance had this accounting policy been adopted historically. As such, the restated depreciation charge in the year includes charges in relation to sampling assets acquired in previous financial years.

Sampling assets have been classed as 'Fixtures, vehicles and equipment'.

The useful economic life of these assets has been prudently estimated to be 24 months, and all sampling assets are depreciated on a straight-line basis over this time period.

Comparative figures have been restated and the effect on the financial statements is an increase in opening reserves and net assets of £82,156.

Statement of Financial Position

	1 Jul 2014			28 Mar 2015		
	As previously stated	Effect of change in accounting policy	Restated	As previously stated	Effect of change in accounting policy	Restated
	£	£	£	£	£	£
Total assets	2,578,933	21,455	2,600,388	2,256,668	82,156	2,338,824
Total liabilities	(2,540,323)	–	(2,540,323)	(2,221,637)	–	(2,221,637)
Net assets	<u>38,610</u>	<u>21,455</u>	<u>60,065</u>	<u>35,031</u>	<u>82,156</u>	<u>117,187</u>

Reconciliation of profit or loss for the period

	Period ended 28 Mar 15		
	As previously stated	Effect of change in accounting policy	Restated
	£	£	£
Turnover	2,278,454	–	2,278,454
Cost of sales	(1,859,654)	–	(1,859,654)
Gross profit	418,800	–	418,800
Distribution costs	(67,180)	–	(67,180)
Administrative expenses	(323,729)	60,703	(263,026)
Other operating income	320	–	320
Operating profit	28,211	60,703	88,914
Interest payable and similar charges	(32,660)	–	(32,660)
Tax on profit on ordinary activities	(868)	–	(868)
Profit for the financial year	<u>(3,579)</u>	<u>60,703</u>	<u>57,122</u>