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**COLUMBIA FLOORING PLC**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2020**

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**COLUMBIA FLOORING PLC**

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**COMPANY INFORMATION**

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<b>Directors</b>	B J Courtney I M Courtney C Harvey
<b>Company secretary</b>	B J Courtney
<b>Registered number</b>	00970249
<b>Registered office</b>	Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA
<b>Trading Address</b>	Unit 11, Trafalgar Trading Estate Jeffreys Road Enfield Middlesex EN3 7TY
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA
<b>Bankers</b>	Barclays Bank plc Enfield Group 20 The Town Enfield Middlesex EN2 6LY

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COLUMBIA FLOORING PLC

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**Introduction**

The directors present their strategic report accompanying the financial statements for the year ended 31st January 2020.

**Business review**

The company has seen a 4% increase in turnover to £3,302,905 (2019 - £3,166,778). The pre-tax profits have also increased to £129,830 (2019 - £111,597) as a result of maintaining close control over costs and overhead expenditure.

The results for the year and the financial position at the year-end for the company were considered satisfactory in light of the economic conditions that prevailed in the year under review by the directors who expect continued growth in the foreseeable future.

The key objective of the company is the maximisation of profit. The principal strategies in achieving the key objectives are the maximisation of revenue and gross margins by effective cost management. This is achieved by developing and maintaining close relations with key customers.

**Principal risks and uncertainties**

The management of the business and execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

The key business risks affecting the company are set out below:

**Competition**

The company operates in a highly competitive market particularly around price and product availability/quality. This results in downward pressure on margins. In order to mitigate this risk the commercial team monitor market prices on an ongoing basis and have responsibility for negotiating with suppliers and pricing goods accordingly. An independent complaints bureau is used in the event of any dispute over quality of products supplied to ensure customer satisfaction.

**Supply chain**

The company mitigates the risk of product availability through effective supplier selection and procurement practices.

**Employees**

The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely affect the company's results. To mitigate these issues the company has a thorough induction and training programme for all employees. It also makes information available to employees through the medium of frequent staff meetings, together with personal appraisals and feedback sessions.

**Financial risk management**

**Credit risk**

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual customer is subject to a limit, which is reassessed continually by the credit control function and regular review of aged receivable reports.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**Liquidity risk**

During the year, the company continued to be funded from its established cash reserves. The directors continue to monitor the company's liquidity taking steps, wherever necessary, to ensure that financial obligations and commitments are met as and when they fall due. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

**Financial key performance indicators**

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole; these being turnover, gross profit margin and net profit.

**Other key performance indicators**

Given the straight forward nature of the business, the directors are of the opinion that analysis using other KPIs is not necessary for an understanding of the development, performance or position of the business.

**Directors' statement of compliance with duty to promote the success of the company**

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company, (the "s.172(1) Matters").

Each director aims to ensure that their decisions support the company's reputation and it's long term objectives, vision and values.

The directors have considered the stakeholders of the company. In the directors' opinion the employees, the suppliers and the customer base represent the key stakeholders and the means of engagement have been detailed below:

**Employees** – Given the low number of employees, the directors are able to personally interact with each employee on a regular basis.

**Customers** – The company provides excellent customer service with a wide range of products, a dedicated sales team, a dedicated accounts team, a fully stocked showroom, bespoke designs, a precision cutting service, and fast delivery direct from manufacturers.

**Suppliers** - The company has strong relationships with key suppliers and company policy is to pay suppliers promptly and within the agreed payment terms.

The directors recognise the importance of the local community and the environment and where practical has an environmental policy in place which includes the recycling of paper and office materials. The directors believe that the company's activities have minimal impact on the local community and environment.

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COLUMBIA FLOORING PLC

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020

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This report was approved by the board on 27 October 2020 and signed on its behalf.

**I M Courtney**  
Director

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COLUMBIA FLOORING PLC

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2020**

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The directors present their report and the financial statements for the year ended 31 January 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard 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 for the company's financial statements 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 to 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £104,983 (2019 - £90,364).

The Directors have paid improved interim dividends for the year totalling 75.00 pence net per Ordinary Share (2019 - 74.00 pence) and 9,600.00 pence net per Ordinary A Share (2019 - 9,200.00 pence). The Directors do not recommend payment of a final dividend on either Ordinary Shares or Ordinary A Shares.

**Directors**

The directors who served during the year were:

B J Courtney  
I M Courtney  
C Harvey

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## COLUMBIA FLOORING PLC

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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#### Environmental matters

##### Environmental policy

The company recognises the importance of environmental responsibilities and where practical has an environmental policy in place which includes the recycling of paper and office materials. The directors believe the nature of its activities has a minimal effect on the environment.

##### Health and safety

The company recognises the importance of safeguarding health, safety and welfare of its employees and has a health and safety policy in place. Regular updates are communicated to all employees.

##### Future developments

The company will continue to grow by developing and maintaining close relations with key customers.

##### Company's policy for payment of creditors

The company's policy for the payment of its suppliers is to agree the payment terms in advance and, provided a supplier performs in accordance with the agreement, to abide by such terms. However, if discount is available for early settlement of invoices, the company will seek to take advantage of this. The ratio, expressed in days, between the amounts invoiced to the company by its suppliers in the year ended 31 January 2020 and the amounts owed to its trade creditors at the end of the year was 17 days (2019 - 18 days).

##### Engagement with suppliers, customers and others

The company recognises that its commercial activities have the potential to impact on its suppliers and customers. The company has strong relationships with key suppliers and company policy is to pay suppliers promptly and within the agreed payment terms, as evidenced by the creditor days ratio noted above. The company is committed to providing customers with excellent service and its mission is to "put the customer at the heart of everything we do."

##### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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 auditors are aware of that information.

##### Post balance sheet events

Since the Balance Sheet date the company has had to deal with the coronavirus pandemic and the associated measures that the UK government, customers and suppliers are putting in place to deal with it. While the company will undoubtedly suffer some adverse impact from this in the short term, the directors are confident that the company can work through the temporary disruption and that the business plans are robust even in the current situation.

##### Auditors

The auditors, Barnes Roffe LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 16 August 2016.

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**COLUMBIA FLOORING PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JANUARY 2020**

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This report was approved by the board on 27 October 2020 and signed on its behalf.

**B J Courtney**  
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA FLOORING PLC

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**Opinion**

We have audited the financial statements of Columbia Flooring PLC (the 'company') for the year ended 31 January 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its profit 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA FLOORING PLC (CONTINUED)**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

In the 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 Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLUMBIA FLOORING PLC (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Duncan Stannett (Senior Statutory Auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants & Statutory Auditor  
Charles Lake House  
Claire Causeway  
Crossways Business Park  
Dartford  
Kent  
DA2 6QA

Date: 28 October 2020

COLUMBIA FLOORING PLC

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2020

	Note	2020 £	2019 £
Turnover	4	3,302,905	3,166,778
Cost of sales		(2,774,048)	(2,668,805)
<b>Gross profit</b>		<b>528,857</b>	<b>497,973</b>
Distribution costs		(21,055)	(28,396)
Administrative expenses		(378,754)	(358,494)
<b>Operating profit</b>	5	<b>129,048</b>	<b>111,083</b>
Interest receivable and similar income	9	782	514
<b>Profit before tax</b>		<b>129,830</b>	<b>111,597</b>
Tax on profit	10	(24,847)	(21,233)
<b>Profit for the financial year</b>		<b>104,983</b>	<b>90,364</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 24 form part of these financial statements.

**COLUMBIA FLOORING PLC**  
**REGISTERED NUMBER: 00970249**

**BALANCE SHEET**  
**AS AT 31 JANUARY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	32,205	39,306
		<u>32,205</u>	<u>39,306</u>
<b>Current assets</b>			
Stocks	13	76,833	79,165
Debtors: amounts falling due within one year	14	210,153	248,424
Cash at bank and in hand	15	401,761	281,710
		<u>688,747</u>	<u>609,299</u>
Creditors: amounts falling due within one year	16	(297,522)	(275,862)
<b>Net current assets</b>		<u>391,225</u>	<u>333,437</u>
<b>Total assets less current liabilities</b>		<u>423,430</u>	<u>372,743</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(2,932)	(3,600)
<b>Net assets</b>		<u><u>420,498</u></u>	<u><u>369,143</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	50,168	50,168
Profit and loss account		370,330	318,975
		<u><u>420,498</u></u>	<u><u>369,143</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 October 2020.

**B J Courtney**  
 Director

**I M Courtney**  
 Director

The notes on pages 14 to 24 form part of these financial statements.

COLUMBIA FLOORING PLC

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Share capital £	Retained earnings £	Total equity £
At 1 February 2019	50,168	318,975	369,143
Profit for the year	-	104,983	104,983
Dividends	-	(53,628)	(53,628)
<b>At 31 January 2020</b>	<b>50,168</b>	<b>370,330</b>	<b>420,498</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2019**

	Share capital £	Retained earnings £	Total equity £
At 1 February 2018	50,168	280,817	330,985
Profit for the year	-	90,364	90,364
Dividends	-	(52,206)	(52,206)
<b>At 31 January 2019</b>	<b>50,168</b>	<b>318,975</b>	<b>369,143</b>

The notes on pages 14 to 24 form part of these financial statements.

COLUMBIA FLOORING PLC

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	104,983	90,364
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	7,543	9,495
Loss on disposal of tangible fixed assets	-	(802)
Interest received	(782)	(514)
Taxation	24,847	21,233
Decrease/(increase) in stocks	2,332	(10,205)
Decrease in debtors	38,271	16,263
Increase in creditors	18,440	2,422
Corporation tax paid	(22,295)	(19,291)
<b>Net cash generated from operating activities</b>	<u>173,339</u>	<u>108,965</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(442)	(21,064)
Sale of tangible fixed assets	-	3,750
Interest received	782	514
<b>Net cash from investing activities</b>	<u>340</u>	<u>(16,800)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(53,628)	(52,206)
<b>Net cash used in financing activities</b>	<u>(53,628)</u>	<u>(52,206)</u>
Cash and cash equivalents at beginning of year	281,710	241,751
<b>Cash and cash equivalents at the end of year</b>	<u><u>401,761</u></u>	<u><u>281,710</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	401,761	281,710
	<u><u>401,761</u></u>	<u><u>281,710</u></u>

The notes on pages 14 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

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**1. General information**

Columbia Flooring Plc is a public limited company limited by shares and incorporated in England and Wales. The address of the registered office is given in the company information page of these financial statements. The principal activity of the company continued to be the purchase, warehousing and distribution of carpets and related floor coverings and products to the carpet flooring industry.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Revenue**

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 as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

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2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following bases:

Short term leasehold property	-	over the term of the lease
Motor vehicles	-	25% on a reducing balance basis
Fixtures and fittings	-	15% on a reducing balance basis
Computer equipment	-	15% on a reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

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**2. Accounting policies (continued)**

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.7 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

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**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

**2.13 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

**a) Critical adjustments in applying the company's accounting policies**

No significant judgements have been made by the management in the preparation of the financial statements.

**b) Key accounting estimates and assumptions**

The company has made key assumptions regarding the useful economic life of tangible fixed assets and this is further described in note 2.5 of the accounting policies.

The company holds a significant amount of stock and is subject to changing consumer demands and industry trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around the anticipated saleability of the stock. As per note 13 the value of stock as at 31 January 2020 is £76,833 (2019 - £79,165) and this includes a stock provision of £10,692 (2019 - £6,025).

**4. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

Turnover relates to continuing activities and principally derives from trade sales of carpet and flooring materials to United Kingdom customers.

In the opinion of the directors, no further segmental analysis is required.

COLUMBIA FLOORING PLC

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020**

**5. Operating profit**

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	7,543	9,495
Other operating lease rentals	<u>70,474</u>	<u>59,130</u>

**6. Auditors' remuneration**

	2020	2019
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	6,500	7,250
<b>Fees payable to the company's auditor in respect of:</b>		
All other services	<u>918</u>	<u>795</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	175,353	172,206
Cost of defined contribution scheme	3,701	2,504
	<u>179,054</u>	<u>174,710</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Office and management	3	3
Sales and purchasing	3	3
Warehouse staff	2	2
	<u>8</u>	<u>8</u>

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8. Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	40,563	39,542
Company contributions to defined contribution pension schemes	670	417
	<b>41,233</b>	<b>39,959</b>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2020	2019
	£	£
Bank interest receivable	782	514

10. Taxation

	2020	2019
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	25,515	22,295
Adjustments in respect of previous periods	-	(298)
	<b>25,515</b>	<b>21,997</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(668)	(764)
	<b>(668)</b>	<b>(764)</b>
	<b>24,847</b>	<b>21,233</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>129,830</u>	<u>111,597</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>24,668</b>	21,203
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	198	141
Depreciation for year in excess of capital allowances	649	951
Adjustments in respect of previous periods	-	(298)
Deferred tax charge	(668)	(764)
<b>Total tax charge for the year</b>	<u><b>24,847</b></u>	<u>21,233</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2020 £	2019 £
Equity dividends paid	37,500	36,750
Non-equity dividends paid	16,128	15,456
	<u>53,628</u>	<u>52,206</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

12. Tangible fixed assets

	S/Term Leasehold Property £	Computer Equipment £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 February 2019	2,937	19,523	21,064	79,848	123,372
Additions	-	442	-	-	442
At 31 January 2020	2,937	19,965	21,064	79,848	123,814
<b>Depreciation</b>					
At 1 February 2019	2,937	11,767	5,266	64,096	84,066
Charge for the year	-	1,230	3,950	2,363	7,543
At 31 January 2020	2,937	12,997	9,216	66,459	91,609
<b>Net book value</b>					
At 31 January 2020	-	6,968	11,848	13,389	32,205
<i>At 31 January 2019</i>	-	7,756	15,798	15,752	39,306

13. Stocks

	2020 £	2019 £
Finished goods and goods for resale	76,833	79,165

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COLUMBIA FLOORING PLC

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2020

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**14. Debtors**

	2020 £	2019 £
Trade debtors	153,101	195,110
Other debtors	21,100	21,006
Prepayments and accrued income	35,952	32,308
	<u>210,153</u>	<u>248,424</u>

**15. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>401,761</u>	<u>281,710</u>

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

	2020 £	2019 £
Trade creditors	164,931	182,130
Corporation tax	25,515	22,295
Taxation and social security	39,457	32,546
Other creditors	189	418
Accruals and deferred income	67,430	38,473
	<u>297,522</u>	<u>275,862</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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17. **Deferred taxation**

	2020 £	2019 £
At beginning of year	(3,600)	(4,364)
Charged to profit or loss	668	764
<b>At end of year</b>	<b><u>(2,932)</u></b>	<b><u>(3,600)</u></b>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	<u>2,932</u>	<u>3,600</u>

Deferred Tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws in existence at the Balance Sheet date.

18. **Share capital**

	2020 £	2019 £
<b>Authorised</b>		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	50,000	50,000
200 (2019 - 200) Ordinary 'A' shares of £1.00 each	200	200
	<u>50,200</u>	<u>50,200</u>
<b>Allotted, called up and fully paid</b>		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	50,000	50,000
168 (2019 - 168) Ordinary 'A' shares of £1.00 each	168	168
	<u>50,168</u>	<u>50,168</u>

19. **Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,701 (2019 - £2,504).

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NOTES TO THE FINANCIAL STATEMENTS  
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**20. Related party transactions**

Included in creditors amounts falling due within one year are the following amounts due to directors in respect of their current accounts:

	2020	2019
	£	£
Directors' current account	<u>189</u>	<u>418</u>

The directors' have an interest in dividends paid of £44,220 (2019 - £43,190).

**21. Post balance sheet events**

Since the Balance Sheet date the company has had to deal with the coronavirus pandemic and the associated measures that the UK government, customers and suppliers are putting in place to deal with it. While the company will undoubtedly suffer some adverse impact from this in the short term, the directors are confident that the company can work through the temporary disruption and that the business plans are robust even in the current situation.

**22. Controlling party**

The directors are deemed to be the controlling party by virtue of their shareholding in the company. There is no one individual controlling party.

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