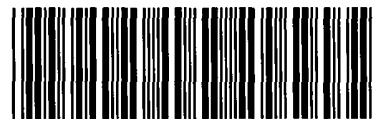


Abode Home Products Limited
Annual report and financial statements
for the 15th month period ended 30 September 2016

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Abode Home Products Limited
Annual report and financial statements
for the 15 month period ended 30 September 2016

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Abode Home Products Limited

Directors and advisors

Directors

N. P. Kelsall
S. M. Smith
R. H. Collins

Secretary

R. H. Collins

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Lloyds TSB Bank plc
8th Floor
40 Spring Gardens
Manchester
M2 1EN

Registered Office

Ladyfield House
Station Road
Wilmslow
Cheshire
SK9 1BU

Registered Number

04363091

Abode Home Products Limited

Strategic report for the 15 month period ended 30 September 2016

The Directors present their Strategic report for the 15 month period ended 30 September 2016.

Principal activities

The Company continued to be a leading designer, contract manufacturer and importer of kitchen and bathroom products. On 31 March 2016, the Company was acquired by Norcros Group (Holdings) Limited, a subsidiary of Norcros plc ("Norcros"). Norcros is a public company listed on the London Stock Exchange with operations principally in the United Kingdom and South Africa. In the interests of corporate simplification, the trade and assets of the Company were hived-up into Norcros Group (Holdings) Limited on 30 September 2016, and after this date the Company became dormant.

It is not expected that the Company will begin to trade again in the foreseeable future.

Review of the business

We aim to present a balanced and comprehensive strategic review of the business during the period and its position at the period end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The business has continued to trade well. Overall revenue for the fifteen month period during which the Company traded was £12.8m (2015 12 months: £9.9m) generating an operating profit of £1.1m (2015 12 months: £0.7m). Over 50% of this turnover was generated in foreign currency providing a natural hedging to currency volatility, in a period when exchange rates in Europe proved unstable.

The strategy is to drive brand growth and partner with brand aware, blue chip UK businesses with strong financial and business performance. Following this strategy, the Company invested heavily in product and market development and continued to support displays for major store opening programmes. These one off costs are reflected within the marketing costs which continued to remain high as with the prior year. It is expected that the benefits from this strategic investment will be seen in future revenue and profit growth.

The turnover after currency conversion was £12.8m in the 15 month period (2015 12 months: £9.9m). A proportion of this unit sales growth came through the controlled expansion of domestic markets in kitchens & bathrooms (increases in home renovation projects, kitchen installations, new home build etc) and a proportion through market share capture and growth in our core product sectors.

Cash generated from operations also continued to be strong. No borrowing was required to support the cash flow during the year. Prior to the hive-up into Norcros Group (Holdings) Limited, the Company had a positive balance sheet and retained a good relationship with its bankers.

Gross profitability on ordinary activities improved during the period following buying and trading initiatives with a resulting improvement in 15 month operating profits to £1.1m (2015 12 months: £0.7m).

The Company retained good management of stock and creditors and these were both controlled in line with our performance during the period. Stock levels in the business were increased by 30% to be able to fulfil current and future sales growth, to ensure customer service provision through adequate stock cover, and in order to achieve improved order fill rates. Growth planning, factory auditing and business continuity plans have been constructed with our key suppliers to ensure that they have sufficient capacity to continue to grow with the planned expansion.

The business creditors were extended by 2.8% to £3.35m (2015: £3.26m) reflecting the improvement in margins, sales mix and increases in stock.

The business has been successfully integrated into the Norcros Group and is working with other Group companies to drive synergy benefits, particularly around joint sourcing opportunities and specification leads.

Abode Home Products Limited

Strategic report for the 15 month period ended 30 September 2016 (continued)

Principal risks and uncertainties

Prior to the acquisition by Norcros plc on 31 March 2016, the Company used certain financial instruments to manage the main operating risks it faces. The Company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The Company managed these risks by financing its operations through its retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes. Following the hive-up of the business on 30 September 2016, the Company no longer requires any external borrowings.

Strategy and future developments

In the interests of corporate simplification, the trade and assets of the Company were hived-up into Norcros Group (Holdings) Limited on 30 September 2016, following which the Company has become dormant.

It is not expected that the Company will begin to trade again in the foreseeable future.

By order of the Board



R. H. Collins

Secretary

23 March 2017

Abode Home Products Limited

Directors' report for the 15 month period ended 30 September 2016

The Directors present their report and the audited financial statements for the 15 month period ended 30 September 2016.

Change of ownership and accounting reference date

On 31 March 2016, the Company was acquired by Norcros Group (Holdings) Limited, a subsidiary of Norcros plc ("Norcros"). Norcros is a public company listed on the London Stock Exchange with operations principally in the United Kingdom and South Africa. The Company changed its accounting reference date to 30 September to tie in with the date the assets and liabilities were hived-up into Norcros Group (Holdings) Limited. The Company has since changed its accounting reference date to 31 March in order to be consistent with the rest of the Norcros Group.

Principal activities, review of the business and future developments

The Company continued to be a leading designer, contract manufacturer and importer of kitchen and bathroom products. In the interests of corporate simplification, the trade and assets of the Company were hived-up into Norcros Group (Holdings) Limited on 30 September 2016, and after this date the Company became dormant.

It is not expected that the Company will begin to trade again in the foreseeable future.

The information that fulfils the requirements of the Business Review, which is incorporated into the Directors' report by reference, is included in the Strategic report beginning on page 2.

Adoption of Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework'

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, there arose a requirement on the Company to change its accounting framework for its financial period commencing 1 July 2015. In response to this, the Company has adopted FRS 101 'Reduced Disclosure Framework', which has replaced old UK GAAP and no adjustments were required to restate the comparative period on the same accounting basis. The date of adoption is 1 July 2014.

Results and dividends

Overall revenue for the 15 months was £12.8m (2015 12 months: £9.9m) and operating profit was £1.1m (2015 12 months: £0.7m).

The profit after tax for the financial period amounted to £0.8m (2015 12 months: £0.5m).

Dividends paid during the period amounted to £86k (2015 12 months: £634k). The directors do not recommend the payment of any further dividends.

Directors' Indemnity Provisions

The Company benefited from a Directors' and Officers' liability insurance policy provided by a third party. The policy was in force for a period of 12 months from September 2015 up to September 2016. Norcros plc now provides an indemnity for the Directors (to the extent permitted by law) in respect of liabilities which could occur as a result of their office. This is a qualifying third party indemnity provision, but does not provide cover should Directors be proven to have acted fraudulently or dishonestly.

Statutory records

The Company is incorporated in England with a company registration number of 04363091.

Abode Home Products Limited

Directors' report for the 15 month period ended 30 September 2016 (continued)

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements are given below:

D. Holliday	(resigned 31 March 2016)
N. P. Kelsall	(appointed 31 March 2016)
M. K. Payne	(appointed 31 March 2016, resigned 4 April 2016)
S. M. Smith	(appointed 4 April 2016)
R. H. Collins	(appointed 31 March 2016)

Going concern

The Company entered into a transfer agreement with Norcros Group (Holdings) Limited (NGHL) when the Abode business was hived-up on 30 September 2016. The agreement provides for Norcros Group (Holdings) Limited to assume ordinary course liabilities arising from the Company's business before the transfer, and consequently any liabilities which arise in the future originating from these activities of the Company will be met by Norcros Group (Holdings) Limited. In view of this agreement being in force, and coupled with the fact that the Company has net assets and has no funding requirements in the foreseeable future, the Directors believe it is appropriate to present the financial statements on a going concern basis.

Financial risk management

The Company's risks relating to financial management are referred to on the Strategic report beginning on page 2.

Statement of disclosure of information to auditors

In the case of each of the persons who are Directors the following applies:

- a) so far as each Director is aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- b) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditors

Following the acquisition of the Company by Norcros, RSM UK Audit LLP resigned as auditors and confirmed that, in accordance with section 519 of the Companies Act 2006, there were no circumstances in connection with their resignation which they considered needed to be brought to the attention of the Company's members or creditors. On 31 March 2016 the Directors appointed PricewaterhouseCoopers LLP as auditors of the Company who have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Abode Home Products Limited

Directors' report for the 15 month period ended 30 September 2016 (continued)

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The Directors 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.

By order of the Board



R. H. Collins
Secretary

23 March 2017

Abode Home Products Limited

Independent auditors' report to the members of Abode Home Products Limited

Report on the financial statements

Our opinion

In our opinion, Abode Home Products Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its profit for the 15 month period (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.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the Statement of financial position as at 30 September 2016;
- the Income statement for the period then ended;
- the Statement of changes in equity for the period then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Abode Home Products Limited

Independent auditors' report to the members of Abode Home Products Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Martin Heath (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23 March 2017

Abode Home Products Limited

Income statement for the 15 month period ended 30 September 2016

	Note	15 months ended 30 September 2016 £'000	Year ended 30 June 2015 £'000
Revenue	1	12,811	9,909
Operating profit	2	1,063	654
Profit on ordinary activities before taxation		1,063	654
Tax on profit on ordinary activities	4	(216)	(144)
Profit for the financial period/year		847	510

There are no other items of comprehensive income or expense other than the profit for the current and preceding periods.

Abode Home Products Limited

Statement of financial position as at 30 September 2016

	Note	30 September 2016 £'000	30 June 2015 £'000
Fixed assets			
Property, plant and equipment	5	-	445
		-	445
Current assets			
Inventory	6	-	1,195
Trade and other receivables	7	2,506	3,382
Cash and cash equivalents		-	240
		2,506	4,817
Creditors: amounts falling due within one year	8	-	(3,508)
Net current assets		2,506	1,309
Total assets less current liabilities		2,506	1,754
Non-current liabilities			
Deferred tax liabilities	9	-	(9)
Net assets		2,506	1,745
Capital and reserves			
Called up share capital	10	125	125
Retained earnings		2,381	1,620
Total shareholders' funds		2,506	1,745

The accounting policies and notes on pages 13 to 22 are an integral part of these financial statements. The financial statements on pages 9 to 22 were approved by the Board on 23 March 2017 and were signed on its behalf by:



S. M. Smith
Director
Abode Home Products Limited (company number: 04363091)

Abode Home Products Limited

Statement of changes in equity for the 15 month period ended 30 September 2016

		Called-up share capital	Retained earnings	Total share- holders' funds
		£'000	£'000	£'000
At 1 July 2014		125	1,744	1,869
Profit for the financial year		-	510	510
Transactions with owners:				
Dividend paid	13	-	(634)	(634)
At 30 June 2015 and 1 July 2015		125	1,620	1,745
Profit for the financial period		-	847	847
Transactions with owners:				
Dividend paid	13	-	(86)	(86)
At 30 September 2016		125	2,381	2,506

Abode Home Products Limited

Accounting policies for the 15 month period ended 30 September 2016

General information

Abode Home Products Limited is incorporated and domiciled in the UK as a private company limited by shares. Details of its principal activities are included in the Strategic report beginning on page 2.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods/years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The Company transitioned from previously applicable UK Generally Accepted Accounting Principles to FRS 101 effective 1 July 2014. There is no impact of the transition to the financial statements and therefore no reconciliations are presented.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The Company entered into a transfer agreement with Norcros Group (Holdings) Limited when the Abode Home Products business was hived-up on the 30 September 2016. The agreement provides for Norcros Group (Holdings) Limited to assume ordinary course liabilities arising from the Company's business before the transfer, and consequently any liabilities which arise in the future originating from these activities of the Company will be met by Norcros Group (Holdings) Limited. In view of this agreement being in force, and coupled with the fact that the Company has net assets and has no funding requirements in the foreseeable future, the Directors believe it is appropriate to present the financial statements on a going concern basis.

Abode Home Products Limited

Accounting policies for the 15 month period ended 30 September 2016 (continued)

Consolidated financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary of Norcros plc, which itself prepares consolidated financial statements which are publicly available from the Company Secretary at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire, SK19 1BU and online at www.norcros.com.

New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 30 September 2016, have had a material impact on the Company.

Revenue recognition

Revenue comprises the consideration received or receivable for the sale of goods and services provided alongside the supply of goods in the ordinary course of the Company's activities and is shown net of value added and other sales-based taxes, customer rebates, incentives, discounts and promotional support.

Revenue is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which is usually on despatch.

Customer rebates, incentives, discounts and promotional support

Accrual is made at each Balance Sheet date to reflect management's best estimate of amounts to be paid in respect of arrangements in place with customers regarding rebates, incentives, discounts and promotional support. The cost of rebates, incentives, discounts and promotional support which have been paid or are accrued at the Balance Sheet date is shown as a deduction from revenue.

Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost comprises the purchase price (after deducting trade discounts and rebates) and any directly attributable costs. Land and buildings, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment in value. Impairment charges are recognised in the Income Statement when the carrying amount of an asset is greater than the estimated recoverable amount, calculated with reference to future discounted cash flows that the assets are expected to generate when considered as part of an income-generating unit. Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write down assets to their residual value evenly over the estimated useful lives of the assets from the date of acquisition by the Company.

The estimated useful lives are as follows:

Land and buildings	Straight line over 50 years
Plant and machinery	20 to 25% reducing balance

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each Balance Sheet date.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, and, where applicable, labour and overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provisions are made for slow-moving and obsolete items.

Taxation

Current tax, which comprises UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the Statement of financial position and the corresponding tax bases used in the computation of taxable profits and is accounted for using the Balance Sheet liability method.

Abode Home Products Limited

Accounting policies for the 15 month period ended 30 September 2016 (continued)

Taxation (continued)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised and is charged in the Income Statement, except where it relates to items charged or credited to equity via the Statement of Comprehensive Income, when the deferred tax is also dealt with in equity and is shown in the Statement of Comprehensive Income.

Operating leases

Annual rentals are charged/credited directly to the Income Statement on a straight-line basis over the lease term.

Employee benefits

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the period.

Exceptional items

Exceptional items are disclosed separately in accordance with the requirements of IAS 1, 'Presentation of financial statements'. They include profits and losses on disposal of non-current assets outside the normal course of business, restructuring costs and large or significant one-off items which, in management's judgment, need to be disclosed to enable the user to obtain a proper understanding of the Company's financial performance.

Financial assets and liabilities

Cash and cash equivalents – cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

Trade receivables – trade receivables are recognised initially at fair value and subsequently reviewed for impairment. A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Evidence including significant financial difficulties of a debtor, probability that the debtor will enter bankruptcy or financial re-organisation and default or delinquency in payment are considered indicators that the trade receivables are impaired. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognised in the Income Statement within administration costs. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administration costs in the Income Statement.

Trade payables – trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Research and development

Expenditure on research is charged against profits for the period in which it is incurred.

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, or, when paid if earlier.

Abode Home Products Limited

Accounting policies for the 15 month period ended 30 September 2016 (continued)

Foreign currency transactions

Functional currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

Transactions and balances

Monetary assets and liabilities expressed in currencies other than the functional currency are translated at rates applicable at the period end. Exchange gains and losses of a trading nature are dealt with in arriving at operating profit.

Share capital

Issued share capital is recorded in the Balance Sheet at nominal value with any premium at that date of issue being credited to the share premium account.

Critical accounting estimates and judgments

The Company's accounting policies have been set by management and approved by the Board. The application of these accounting policies to specific scenarios requires estimates and assumptions to be made concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates or judgments are considered critical where they involve a significant risk or cause a material adjustment to the carrying amounts of assets and liabilities from period to period. This may be because the estimate or judgment involves matters which are highly uncertain, or because different estimation methods or assumptions could reasonably have been used.

Critical estimates have been made in the following areas:

- customer rebate, incentive and promotional support accruals – a number of the Company's customers are offered rebates, incentives and promotional support in order to encourage trade and cement strong relationships. Accounting for such arrangements involves judgment as agreement periods typically run for a number of months or years, and may involve assumptions around volumes of product purchased or sold into the future. However, where applicable, accrual calculations are underpinned by signed contracts and there has historically been a strong correlation between the amounts accrued in respect of a particular period and the amounts subsequently paid.

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016

1 Revenue

All of the Company's revenue originates in the United Kingdom. The Company's turnover is analysed below by destination:

	15 months ended 30 September 2016 £'000	2016 %	12 months ended 30 June 2015 £'000	2015 %
United Kingdom	12,658	99	9,909	100
Europe	153	1	-	-
	12,811	100	9,909	100

The revenue derives solely from the principal activities of the Company.

2 Operating profit

	15 months ended 30 September 2016 £'000	12 months ended 30 June 2015 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned assets	30	28
Inventory recognised as an expense	9,755	7,363
Operating lease rentals:		
- plant and machinery	40	26
Services provided by the Company's auditors:		
- Fees payable for the audit	10	10

There were no other fees payable to the Company's auditors in respect of any non-audit services.

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

3 Staff costs and numbers

The average monthly number of persons employed by the Company (including Directors) during the period was:

By activity	15 months ended 30 September 2016 Number	12 months ended 30 June 2015 Number
Sales and distribution	10	9
Administrative and technical	9	8
Management	2	2
	21	19

The aggregate payroll costs of these persons were as follows:

	15 months ended 30 September 2016 £'000	12 months ended 30 June 2015 £'000
Wages and salaries	940	659
Social security costs	103	72
Other pension cost	51	34
	1,094	765

The remuneration paid to Directors was:

	15 months ended 30 September 2016 £'000	12 months ended 30 June 2015 £'000
Aggregate emoluments (including benefits in kind)	7	10
Pension contributions	9	12
	16	22

Retirement benefits accrued to one Director (2015: one) in respect of a defined contribution pension scheme.

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

3 Staff costs and numbers (continued)

Highest paid Director

	15 months ended 31 September 2016 £'000	12 months ended 30 June 2015 £'000
Aggregate emoluments (including benefits in kind)	16	22

4 Tax on profit on ordinary activities

Tax expense included in the Income Statement:

	15 months ended 31 March 2016 £'000	12 months ended 30 June 2015 £'000
Current tax:		
UK corporation tax on profits for the period/year	216	135
Under provision in prior year	1	-
Total current tax	217	135
Deferred tax:		
Origination and reversal of timing differences	(1)	9
Deferred tax (credit)/charge for the period/year	(1)	9
Total tax on profit on ordinary activities	216	144

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

4 Tax on profit on ordinary activities (continued)

The tax assessed for the period is lower (2015: higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.75%). The differences are explained below:

	15 months ended 30 September 2016 £'000	12 months ended 30 June 2015 £'000
Profit on ordinary activities before taxation	1,063	654
Standard tax rate in the UK 20% (2014: 20.75%)	213	135
Sundry tax adjusting items	3	9
Total tax charge for the period/year	216	144

5 Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 July 2015	461	283	744
Additions	-	6	6
Transferred in NGHL hive-up	(461)	(289)	(750)
At 30 September 2016	-	-	-
Accumulated depreciation			
At 1 July 2015	87	212	299
Charge for the period	12	18	30
Transferred in NGHL hive-up	(99)	(230)	(329)
At 30 September 2016	-	-	-
Net book value			
At 30 September 2016	-	-	-
At 30 June 2015	374	71	445

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

6 Inventory

	30 September 2016 £'000	30 June 2015 £'000
Finished goods and goods for resale	-	1,195
	-	1,195

Inventories are stated after impairment of £nil (30 June 2015: £nil)

7 Trade and other receivables

	30 September 2016 £'000	30 June 2015 £'000
Trade receivables	-	3,262
Amounts owed by group undertakings	2,506	-
Prepayments and accrued income	-	112
Other debtors	-	8
	2,506	3,382

8 Creditors: amounts falling due within one year

	30 September 2016 £'000	30 June 2015 £'000
Trade creditors	-	2,778
UK Corporation tax	-	135
Other taxation and social security payable	-	524
Other creditors	-	9
Accruals and deferred income	-	62
	-	3,508

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

9 Provisions for liabilities

The movement in the deferred tax liability was as follows:

	30 September 2016 £'000	30 June 2015 £'000
Deferred tax liability at the beginning of the period/year	9	-
Transferred in NGHL hive-up	(8)	-
(Credited)/charged to the income statement	(1)	9
Deferred tax liability at the end of the period/year	-	9

The analysis of the deferred tax liability is as follows:

	30 September 2016 £'000	30 June 2015 £'000
Accelerated capital allowances	-	9

10 Called up share capital

	30 September 2016 £'000	30 June 2015 £'000
Allotted, called up and fully paid		
125,000 (30 June 2015: 125,000) ordinary shares of £1 each	125	125

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Abode Home Products Limited

Notes to the financial statements for the 15 month period ended 30 September 2016 (continued)

11 Commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	30 September 2016		30 June 2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Not later than one year	-	-	-	30
Later than one year and not later than five years	-	-	-	24
	-	-	-	54

The Company had no capital commitments at 30 September 2016 (30 June 2015: £nil).

12 Ultimate holding company and controlling party

Until 31 March 2016 the ultimate parent undertaking and controlling party was Croneta S.A, a company registered in Switzerland. On that date the Company was acquired by Norcros Group (Holdings) Limited, which remains the immediate parent undertaking.

From 31 March 2016, the ultimate controlling party became Norcros plc, a company incorporated in Great Britain and registered in England and Wales.

Consolidated financial statements for Norcros plc, which is the largest and smallest group into which the results of the Company are consolidated, can be obtained from the Company Secretary at Norcros plc, Ladyfield House, Station Road, Wilmslow, Cheshire, SK19 1BU.

13 Dividends

	15 months ended 30 September 2016 £'000	12 months ended 30 June 2015 £'000
Dividends paid on equity capital (68.1p per ordinary share) (2015: 506.9p per ordinary share)	86	634