

**GRANWOOD HOLDINGS LIMITED**  
Company Registration No. 04576677 (England and Wales)

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**



# GRANWOOD HOLDINGS LIMITED

## DIRECTORS AND ADVISERS

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<b>Directors</b>	Richard Taylor Mark Pass David Pass Simon Pass
<b>Secretary</b>	Richard Taylor
<b>Company number</b>	04576677
<b>Registered office</b>	Stubben Edge Hall Ashover Derbyshire S45 0EU
<b>Registered auditors</b>	DEKM Limited 8 Vernon Street Derby DE1 1FR

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# GRANWOOD HOLDINGS LIMITED

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# GRANWOOD HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present the Strategic Report on the group for the year ended 31 December 2013.

### **Business review**

#### ***Fair review of the business***

The directors consider that the results of the group for the year and the financial position at the end of the year were satisfactory, especially considering the overall economic environment.

The directors expect the external commercial environment to remain competitive.

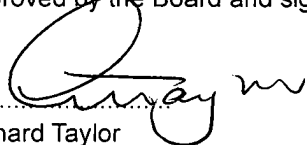
#### ***Principal risks and uncertainties***

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to be fluctuating raw material prices, changing energy costs, cuts in public spending, import penetration and the state of the wider economic climate.

Given the nature of the group, and as all of the shareholders are directors of the company, the directors are of the opinion that reporting more detailed analysis using key performance indicators is not necessary for the reader's understanding of the development, performance or position of the business.

Approved by the Board and signed on its behalf by:



Richard Taylor

Secretary

22 September 2014

# GRANWOOD HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2013

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The directors present their report and financial statements for the year ended 31 December 2013.

#### Principal activities

The principal activities of the group continued to be that of the manufacture and supply of floorcoverings, sealants and chemical preparations, together with the provision of management services.

#### Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

An interim ordinary dividend was paid amounting to £400,000. The directors do not recommend payment of a final dividend.

It is proposed that the retained profit of £216,353 is transferred to the group's reserves.

#### Directors

The following directors have held office since 1 January 2013:

Richard Taylor  
Mark Pass  
David Pass  
Simon Pass

#### Auditors

In accordance with the company's articles, a resolution proposing that DEKM Limited be reappointed as auditors of the company will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GRANWOOD HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

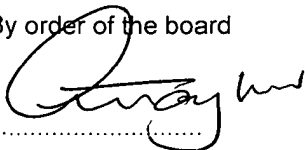
**FOR THE YEAR ENDED 31 DECEMBER 2013**

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



Richard Taylor

Secretary

22 September 2014

# **GRANWOOD HOLDINGS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF GRANWOOD HOLDINGS LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Granwood Holdings Limited for the year ended 31 December 2013 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out in the Directors' Report on pages 2 to 3, 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**

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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Annual Report 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.

# GRANWOOD HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF GRANWOOD HOLDINGS LIMITED

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#### **Basis for disclaimer of opinion on financial statements**

In seeking to form an opinion on the financial statements we considered the following matters:

- we have not been provided with independent valuations to obtain adequate assurance regarding the fair values attributed to the net assets acquired on the acquisitions of subsidiary undertakings in 1999. Any adjustment to those values would have a consequential effect on the profit for the year and the goodwill arising on consolidation.

- the group participates in four defined benefit pension schemes, one of which is a multi employer scheme, and the assets and liabilities of these schemes are attributable to the group. In our opinion, in accordance with Financial Reporting Standard 17 - Retirement Benefits, the balance sheet should include a pension scheme liability of £473,000 being the deficit in the schemes at 31 December 2013. This would have the effect of increasing the profit for the year by £519,000 and including actuarial gains of £254,000 and a prior year adjustment of £1,246,000 in the Statement of Total Recognised Gains and Losses.

#### **Disclaimer of opinion on financial statements**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

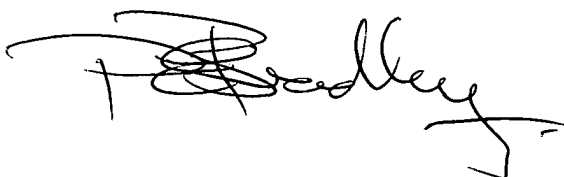
#### **Opinion on other matter prescribed by the Companies Act 2006**

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



**Paul Bradley (Senior Statutory Auditor)**  
for and on behalf of DEKM Limited

**Chartered Accountants**

**Statutory Auditor**

8 Vernon Street

Derby

DE1 1FR

26 September 2014



# GRANWOOD HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	5,124,892	6,152,230
Change in stocks of finished goods and work in progress		(59,409)	(136,382)
		<u>5,065,483</u>	<u>6,015,848</u>
Other operating income		190,554	209,395
		<u>5,256,037</u>	<u>6,225,243</u>
Raw materials and other consumables		954,261	1,013,764
Other external charges		30,404	7,652
		<u>984,665</u>	<u>1,021,416</u>
		<u>4,271,372</u>	<u>5,203,827</u>
Staff costs		3,006,206	3,265,825
Depreciation and amortisation		141,772	147,935
Other operating charges		879,722	1,012,815
		<u>4,027,700</u>	<u>4,426,575</u>
Operating profit	3	243,672	777,252
Investment income	5	550	400
Other interest receivable and similar income		64,327	66,396
Interest payable and similar charges	6	(337)	(986)
Profit on ordinary activities before taxation		<u>308,212</u>	<u>843,062</u>
Tax on profit on ordinary activities	8	(91,859)	(224,843)
Profit on ordinary activities after taxation		<u><u>216,353</u></u>	<u><u>618,219</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# GRANWOOD HOLDINGS LIMITED

## BALANCE SHEETS

AS AT 31 DECEMBER 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>Fixed assets</b>					
Tangible assets	9	1,680,459	1,741,669	83,367	73,302
Investments	10	6,000	6,000	444,004	444,004
		<u>1,686,459</u>	<u>1,747,669</u>	<u>527,371</u>	<u>517,306</u>
<b>Current assets</b>					
Stocks	11	481,023	568,483	-	-
Debtors	12	1,105,144	1,374,677	319,776	255,025
Cash at bank and in hand		6,955,476	7,237,061	6,110,123	4,613,850
		<u>8,541,643</u>	<u>9,180,221</u>	<u>6,429,899</u>	<u>4,868,875</u>
<b>Creditors: amounts falling due within one year</b>	13	(1,220,130)	(1,734,650)	(5,829,760)	(4,358,945)
<b>Net current assets</b>		<u>7,321,513</u>	<u>7,445,571</u>	<u>600,139</u>	<u>509,930</u>
<b>Total assets less current liabilities</b>		<u>9,007,972</u>	<u>9,193,240</u>	<u>1,127,510</u>	<u>1,027,236</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(38,490)	(40,111)	-	-
		<u>8,969,482</u>	<u>9,153,129</u>	<u>1,127,510</u>	<u>1,027,236</u>
<b>Capital and reserves</b>					
Called up share capital	17	444,006	444,006	444,006	444,006
Revaluation reserve	18	29,479	31,445	-	-
Merger reserves	18	959,210	959,210	-	-
Profit and loss account	18	7,536,787	7,718,468	683,504	583,230
<b>Shareholders' funds</b>	19	<u>8,969,482</u>	<u>9,153,129</u>	<u>1,127,510</u>	<u>1,027,236</u>

Approved by the Board and authorised for issue on 22 September 2014

Richard Taylor  
Director

Mark Pass  
Director

Company Registration No. 04576677

# GRANWOOD HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	£	2013 £	£	2012 £
<b>Net cash inflow from operating activities</b>		341,267		1,427,232
<b>Returns on investments and servicing of finance</b>				
Interest received	64,327		69,217	
Interest paid	(337)		(986)	
Dividends received	550		400	
<b>Net cash inflow for returns on investments and servicing of finance</b>		64,540		68,631
<b>Taxation</b>		(219,351)		(78,655)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(106,832)		(130,829)	
Receipts from sales of tangible assets	38,791		102,900	
<b>Net cash outflow for capital expenditure</b>		(68,041)		(27,929)
<b>Equity dividends paid</b>		(400,000)		-
<b>(Decrease)/increase in cash in the year</b>		(281,585)		1,389,279

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

1	Reconciliation of operating profit to net cash inflow from operating activities	2013	2012
		£	£
	Operating profit	243,672	777,252
	Depreciation of tangible assets	141,772	147,935
	(Profit)/loss on disposal of tangible assets	(12,521)	2,968
	Decrease in stocks	87,460	200,917
	Decrease/(increase) in debtors	231,491	(52,993)
	(Decrease)/increase in creditors within one year	(350,607)	351,153
	Net cash inflow from operating activities	341,267	1,427,232

2	Analysis of net funds	1 January 2013	Cash flow	Other non-cash changes	31 December 2013
		£	£	£	£
	Cash at bank and in hand	7,237,061	(281,585)	-	6,955,476
	Net funds	7,237,061	(281,585)	-	6,955,476

3	Reconciliation of net cash flow to movement in net funds	2013	2012
		£	£
	(Decrease)/increase in cash in the year	(281,585)	1,389,279
	Movement in net funds in the year	(281,585)	1,389,279
	Opening net funds	7,237,061	5,847,782
	Closing net funds	6,955,476	7,237,061

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Compliance with and departure from accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The financial statements do not comply with the accounting and disclosure requirements of Financial Reporting Standard 17 - Retirement Benefits and fail to capitalise goodwill arising on acquisition in accordance with Financial Reporting Standard 10 - Goodwill and Intangible Assets.

#### 1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2013. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts and, in respect of contracting, is recognised as activity progresses so that, for incomplete contracts, it reflects the partial performance of the contractual obligations.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation.

Tangible fixed assets acquired on the acquisition of subsidiaries are brought into the group financial statements at their original cost, and depreciation thereon is included in the aggregate depreciation figure.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2½% straight line
Plant and machinery	10% - 33.33% straight line
Motor vehicles	20% - 25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 1 Accounting policies

(Continued)

#### 1.8 Pensions

##### *Defined contribution*

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### *Defined benefit*

The group participates in four defined benefit pension schemes of which one is a multi-employer scheme, which require contributions to be made to separately administered funds. The assets and liabilities of these schemes are attributable to this group and, in a departure from Financial Reporting Standard 17 - Retirement Benefits, the contributions are charged to the profit and loss account in the year in which they are payable.

#### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

#### 1.10 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

### 2 Turnover

The turnover and operating profit for the year were derived from the group's principal activities.

The analysis of the group's turnover by class of business is as follows:

	2013 £	2012 £
Manufacture and supply of floorcoverings, sealants and chemical preparations	3,101,355	3,869,958
Provision of management services	2,023,537	2,282,272
	<u>5,124,892</u>	<u>6,152,230</u>

Analysis of turnover by geographical markets has not been disclosed because the directors believe that to do so would seriously prejudice the interests of the group.

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

<b>3</b>	<b>Operating profit</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	141,772	147,935
	Loss on disposal of tangible assets	-	(2,968)
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £18,500; 2012: £19,000)	38,890	38,100
	and after crediting:		
	Rents receivable	188,933	207,774
	Government grants	1,621	1,621
	Profit on disposal of tangible assets	12,521	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Profit for the financial year</b>		
	As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:		
		<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Holding company's profit for the financial year	500,274	170,157
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	550	400
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	On overdue tax	337	986
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Dividends</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	400,000	-
		<u>          </u>	<u>          </u>

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

8	Taxation	2013 £	2012 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	54,700	230,680
	Adjustment for prior years	(883)	(1,018)
	<b>Total current tax</b>	<u>53,817</u>	<u>229,662</u>
	<b>Deferred tax</b>		
	Deferred tax charge/(credit) current year	26,882	(10,451)
	Deferred tax adjustment resulting from changes in tax rate	11,421	5,215
	Deferred tax adjustment re previous year	(261)	417
		<u>38,042</u>	<u>(4,819)</u>
		<u>91,859</u>	<u>224,843</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>308,212</u>	<u>843,062</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.5%)	<u>71,659</u>	<u>206,550</u>
	Effects of:		
	Non deductible expenses	104	128
	Depreciation add back	30,051	36,972
	Capital allowances	(21,410)	(18,496)
	Other timing differences	(24,705)	4,212
	Adjustments to previous periods	(883)	(1,018)
	Chargeable disposals	(1,036)	1,092
	Dividends and distributions received	(128)	(98)
	Other tax adjustments	165	320
		<u>(17,842)</u>	<u>23,112</u>
	<b>Current tax charge for the year</b>	<u>53,817</u>	<u>229,662</u>



# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 9 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2013	2,234,600	1,199,831	16,577	338,626	3,789,634
Additions	-	-	14,225	92,607	106,832
Disposals	-	-	(8,818)	(102,626)	(111,444)
At 31 December 2013	2,234,600	1,199,831	21,984	328,607	3,785,022
<b>Depreciation</b>					
At 1 January 2013	793,313	1,109,691	10,247	134,714	2,047,965
On disposals	-	-	(5,777)	(79,397)	(85,174)
Charge for the year	54,789	10,976	2,729	73,278	141,772
At 31 December 2013	848,102	1,120,667	7,199	128,595	2,104,563
<b>Net book value</b>					
At 31 December 2013	1,386,498	79,164	14,785	200,012	1,680,459
At 31 December 2012	1,441,287	90,140	6,330	203,912	1,741,669

### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 January 2013 & at 31 December 2013	2,178,150
<b>Depreciation based on cost</b>	
At 1 January 2013	775,329
Charge for the year	52,101
At 31 December 2013	827,430
<b>Net book value</b>	
At 31 December 2013	1,350,720
At 31 December 2012	1,402,821

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### 9 Tangible fixed assets

(Continued)

The freehold land and buildings were revalued in 1988 on an open market for existing use basis.

A policy of revaluation has not been adopted, however, the carrying amount reflects previous revaluations and these amounts are retained as the group has adopted the transitional provisions of Financial Reporting Standard 15 - Tangible Fixed Assets. The valuations concerned have not been updated.

Cost or valuation at 31 December 2012 is represented by the valuation in 1988 of £500,000 and items at cost of £1,734,600.

#### Company

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2013	16,577	99,973	116,550
Additions	14,225	36,645	50,870
Disposals	(8,818)	(45,126)	(53,944)
At 31 December 2013	21,984	91,492	113,476
<b>Depreciation</b>			
At 1 January 2013	10,247	33,001	43,248
On disposals	(5,777)	(32,591)	(38,368)
Charge for the year	2,729	22,500	25,229
At 31 December 2013	7,199	22,910	30,109
<b>Net book value</b>			
At 31 December 2013	14,785	68,582	83,367
At 31 December 2012	6,330	66,972	73,302

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Fixed asset investments

#### Group

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2013 & at 31 December 2013	41,412
<b>Provisions for diminution in value</b>	
At 1 January 2013 & at 31 December 2013	35,412
<b>Net book value</b>	
At 31 December 2013	6,000
At 31 December 2012	6,000
	<b>Market value</b>
	£
At 31 December 2013	14,500
At 31 December 2012	9,500

#### Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2013 & at 31 December 2013	444,004
<b>Net book value</b>	
At 31 December 2013	444,004
At 31 December 2012	444,004

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Fixed asset investments

(Continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Granwood Flooring Group Limited	England and Wales	Ordinary	100.00
Pass Holdings Limited	England and Wales	Ordinary	100.00
Pass Group Limited	England and Wales	Ordinary	100.00
Granwood Flooring Limited	England and Wales	Ordinary	100.00
Granwax Products Limited	England and Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Granwood Flooring Group Limited	Holding company
Pass Holdings Limited	Holding company
Pass Group Limited	Holding company
Granwood Flooring Limited	Manufacture and supply of floorcoverings
Granwax Products Limited	Manufacture and supply of sealants and chemicals

In addition to the above, there are several dormant subsidiary undertakings which are not listed on the grounds of immateriality.

### 11 Stocks and work in progress

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	291,361	319,411	-	-
Work in progress	8,644	4,170	-	-
Finished goods and goods for resale	181,018	244,902	-	-
	<u>481,023</u>	<u>568,483</u>	<u>-</u>	<u>-</u>

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 12 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	391,119	940,517	-	-
Other debtors	488,579	188,713	263,996	186,761
Prepayments and accrued income	134,111	116,070	45,427	40,155
Deferred tax asset (see note 15)	91,335	129,377	10,353	28,109
	<u>1,105,144</u>	<u>1,374,677</u>	<u>319,776</u>	<u>255,025</u>

Amounts falling due after more than one year and included in the debtors above are:

	2013	2012	2013	2012
	£	£	£	£
Deferred tax asset	<u>91,335</u>	<u>129,377</u>	<u>10,353</u>	<u>28,109</u>

### 13 Creditors : amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	-	-	446,251	-
Trade creditors	188,947	365,602	3,344	3,425
Amounts owed to group undertakings	-	-	5,207,073	4,103,746
Corporation tax	54,979	220,513	13,500	69,000
Other taxes and social security costs	239,932	210,678	136,519	78,136
Other creditors	6,600	39,438	1,933	35,395
Accruals and deferred income	729,672	898,419	21,140	69,243
	<u>1,220,130</u>	<u>1,734,650</u>	<u>5,829,760</u>	<u>4,358,945</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all of the group's assets.

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

### 14 Creditors : amounts falling due after more than one year

	Group 2013 £	2012 £	Company 2013 £	2012 £
Government grants deferred	38,490	40,111	-	-
Amounts deferred beyond five years: Government grants	32,008	33,628	-	-

### 15 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows:

	Group 2013 £	Company 2013 £
Balance at 1 January 2013	(129,377)	(28,109)
Profit and loss account	38,042	17,756
Balance at 31 December 2013	(91,335)	(10,353)

	Group 2013 £	2012 £	Company 2013 £	2012 £
Decelerated capital allowances	(24,489)	(30,656)	(15,378)	(20,495)
Other timing differences	(66,846)	(98,721)	5,025	(7,614)
	(91,335)	(129,377)	(10,353)	(28,109)

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 16 Pension and other post-retirement benefit commitments

#### **Defined benefit**

The group participates in four defined benefit pension schemes for the benefit of eligible employees. These schemes are administered by trustees, independent of the group's finances and funded from the participating employers and their employees. The contributions are assessed with the benefit of triennial actuarial valuations and reports prepared by professionally qualified actuaries. All schemes have now been closed to new entrants and with effect from 31 May 2009 one of the schemes has become fully paid up.

The pension charge amounted to £639,388 (2012 - £528,599).

#### **Defined contribution**

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.

	2013 £	2012 £	
Contributions payable by the group for the year	30,931	27,176	
<b>17 Share capital</b>	<b>2013 £</b>	<b>2012 £</b>	
<b>Allotted, called up and fully paid</b>			
444,006 Ordinary shares of £1 each	444,006	444,006	
<b>18 Statement of movements on reserves</b>			
<b>Group</b>			
	<b>Revaluation reserve £</b>	<b>Merger reserve £</b>	<b>Profit and loss account £</b>
Balance at 1 January 2013	31,445	959,210	7,718,468
Profit for the year	-	-	216,353
Transfer from revaluation reserve to profit and loss account	(1,966)	-	1,966
Dividends paid	-	-	(400,000)
Balance at 31 December 2013	29,479	959,210	7,536,787

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

### 18 Statement of movements on reserves

(Continued)

#### Company

Profit and  
loss account  
£

Balance at 1 January 2013	583,230
Profit for the year	500,274
Dividends paid	(400,000)
Balance at 31 December 2013	683,504

### 19 Reconciliation of movements in shareholders' funds Group

2013  
£

2012  
£

Profit for the financial year	216,353	618,219
Dividends	(400,000)	-
Net (depletion in)/addition to shareholders' funds	(183,647)	618,219
Opening shareholders' funds	9,153,129	8,534,910
Closing shareholders' funds	8,969,482	9,153,129

#### Company

2013  
£

2012  
£

Profit for the financial year	500,274	170,157
Dividends	(400,000)	-
Net addition to shareholders' funds	100,274	170,157
Opening shareholders' funds	1,027,236	857,079
Closing shareholders' funds	1,127,510	1,027,236

### 20 Contingent liabilities

The company had a contingent liability to its bankers for unlimited guarantees given in respect of its subsidiary undertakings' loans and overdrafts.

There are contingent liabilities to the groups bankers arising from indemnities given by those banks in respect of performance bonds entered into in the normal course of business.



# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

21	Directors' remuneration	2013 £	2012 £
	Remuneration for qualifying services	821,511	936,360

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2012- 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	259,370	413,394
Accrued pension at the end of the year	54,246	-
Accrued lump sum at the end of the year	259,511	-

## 22 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Production	19	18
Management and administration	22	22
Selling and distribution	10	10
	51	50

Employment costs	2013 £	2012 £
Wages and salaries	2,002,035	2,395,419
Social security costs	224,082	293,993
Other pension costs	780,089	576,413
	3,006,206	3,265,825

## 23 Control

The company is under the joint control of Mark Pass, David Pass and Simon Pass.

# GRANWOOD HOLDINGS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 24 Related party relationships and transactions

During the year the following aggregate charges were receivable from Grangeheath Limited and Granfix Products Limited, related undertakings under the control of Mark Pass, David Pass and Simon Pass, and from National Floorcoverings Limited, Amber Pass Limited and Derbyshire Estates Limited, related undertakings under the control of Mark Pass, David Pass, Simon Pass and Neil Brown, trustees of the Michael Pass will trust:

	2013	2012
	£	£
Management charges receivable	2,023,537	2,282,272
Rents receivable	161,349	180,000
	<u>2,184,886</u>	<u>2,462,272</u>

The balances at 31 December 2013 due from these related undertakings was £485,406 (2012 - £187,669).