

Company Registration No. 04923718 (England and Wales)

ABINGDON FLOORING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 APRIL 2017

TUESDAY



A6IQ3INN

A12

07/11/2017

#207

COMPANIES HOUSE

ABINGDON FLOORING LIMITED

COMPANY INFORMATION

Directors

Mrs C Matthews
Mr J J Taylor
Mr R Dight
Mr E Charlesworth
Mr M W Peace
Mr G B Wilding

Secretary

Mrs C Matthews

Company number

04923718

Registered office

Penyfan Park
NEWBRIDGE
Caerphilly
UK
NP11 4XG

Auditor

Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

ABINGDON FLOORING LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Profit and Loss Account	7
Balance sheet	8 - 9
Statement of changes in equity	10
Notes to the financial statements	11 - 24

ABINGDON FLOORING LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 1 APRIL 2017

Review of Business

Principal activities

The company manufactures and distributes carpets.

There have been no significant changes in the company's principal activities in the period under review.

Review of the business

We are pleased to report an increase in turnover of 4.1% from £62.074m to £64.624m.

Market conditions continue to remain challenging due to fluctuations in oil prices which affect raw material prices. However, our core strategy of continuing to support our independent retail customers with market leading products and services is providing the environment for growth.

There have been no significant events since the balance sheet date.

Future developments

The trend towards softer products continues to grow and therefore with the requirement of polyester as well as polypropylene we are well placed in the market as our current suppliers produce both types of yarn to complement our own production.

Key Performance Indicators

	Period ended 1 April 2017 £m	Period ended 2 April 2016 £m
Revenue	64.6	62.1
Revenue growth (%)	4.1%	4.6%
Operating Profit	4.5	3.7
Operating Profit (%)	7.0%	5.9%

The Board monitors the KPI's and the marketplace and reacts accordingly

Principal risks and uncertainties

The company's operations expose it to a variety of risks that include credit risk, interest rate risk and foreign exchange currency risk. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the company's management team.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Management assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

ABINGDON FLOORING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

Liquidity risk

The company actively manages its liquidity using operating cash flows to ensure the company has sufficient available funds for its operations.

Interest rate risk

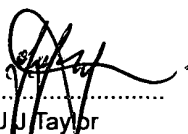
The company's interest on its loans received from its parent company on a margin above base rate. The directors do not hedge the interest rates.

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro and US dollar due to the fact a proportion of our raw material purchases are in dollars and euros. Foreign exchange risks arise from future commercial transactions denominated in a currency that is not the entity's functional currency. The company mitigates this risk by entering into forward foreign currency contracts.

Competition

The carpet industry is a highly competitive market resulting in pressure on pricing and margins. Competitor activity is monitored on an ongoing basis to aid the company's decisions in this area


.....
Mr J J Taylor
Director

.....
30/10/17

ABINGDON FLOORING LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 1 APRIL 2017

Results and dividends

The results for the period are set out on 7.

Dividends of £nil were paid during the year (2016: £3,000,000).

Directors

The directors, who served throughout the period except as noted, were as follows:

Mrs C Matthews
Mr J J Taylor
Mr R Dight
Mr E Charlesworth
Mr M W Peace
Mr G B Wilding

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement

The company places value on the involvement of its employees, keeping them informed on matters affecting them as employees on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

Auditor

A resolution to reappoint Grant Thornton UK LLP as the auditor of the company will be proposed at the next Annual General meeting of the company.

ABINGDON FLOORING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

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 laws, including FRS101 'Reduced Disclosure Framework'). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK applicable 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 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.

Statement of disclosure to auditor

The directors confirm that at the date of approval of this annual report:

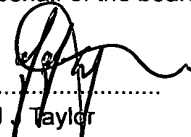
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the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

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

Matters covered in the strategic report

For a review of the business and details of principal risks and uncertainties please refer to the strategic report.

On behalf of the board


.....
Mr J. Taylor
Director

30/10/17

ABINGDON FLOORING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABINGDON FLOORING LIMITED

We have audited the financial statements of Abingdon Flooring Limited for the Period ended 1 April 2017 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 April 2017 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 any material misstatements in the Strategic Report and Directors' Report.

ABINGDON FLOORING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ABINGDON FLOORING LIMITED


Matters on which we are required to report by exception

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

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

David White
(Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor


.....
21/11/17

The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

ABINGDON FLOORING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 1 APRIL 2017

		Period ended 1 April 2017	Period ended 2 April 2016
	Notes	£	£
Turnover	3	64,623,859	62,074,138
Cost of sales		(43,292,525)	(42,358,118)
Gross profit		21,331,334	19,716,020
Distribution costs		(14,824,320)	(13,932,541)
Administrative expenses		(1,988,514)	(2,132,624)
Other operating income		-	20,000
Operating profit	4	4,518,500	3,670,855
Investment income	7	3,748	3,114
Interest payable and similar charges	8	(459,016)	(33,174)
Profit before taxation on ordinary activities		4,063,232	3,640,795
Tax on profit on ordinary activities	9	(1,212,135)	(758,302)
Profit for the financial Period		2,851,097	2,882,493

There was no other comprehensive income for 2017 (2016: £NIL).

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

The notes on pages 11 to 24 form part of these financial statements.

ABINGDON FLOORING LIMITED

BALANCE SHEET

AS AT 1 APRIL 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible fixed assets	11	5,355,881	5,166,847
Investments	12	501	501
		<u>5,356,382</u>	<u>5,167,348</u>
Current assets			
Stocks	14	10,380,370	11,478,393
Deferred tax asset	19	94,368	176,521
Derivative financial instruments	17	-	27,749
Debtors	15	13,508,400	10,796,450
Cash at bank and in hand		6,349,433	4,593,009
		<u>30,332,571</u>	<u>27,072,122</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	16	18,723,674	19,324,158
Taxation and social security		3,186,502	2,255,710
Derivative financial instruments	17	10,561	-
Obligations under finance leases	18	129,514	214,682
		<u>22,050,251</u>	<u>21,794,550</u>
Net current assets		<u>8,282,320</u>	<u>5,277,572</u>
Total assets less current liabilities		<u>13,638,702</u>	<u>10,444,920</u>
Creditors: amounts falling due after more than one year			
Obligations under finance leases	18	367,183	24,498
Net assets		<u>13,271,519</u>	<u>10,420,422</u>

ABINGDON FLOORING LIMITED

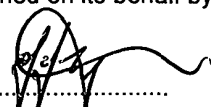
BALANCE SHEET (CONTINUED)

AS AT 1 APRIL 2017

Capital and reserves

Called up share capital	21	50	50
Share premium account	22	249,950	249,950
Capital redemption reserve	23	100	100
Profit and loss account		13,021,419	10,170,322
Total equity		13,271,519	10,420,422

The financial statements were approved by the Board of directors and authorised for issue on 30/10/17....
Signed on its behalf by:


.....
Mr J J Taylor
Director

Company Registration No. 04923718

The notes on pages 10 to 24 form part of these financial statements.

ABINGDON FLOORING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 APRIL 2017

	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
	£	£	£	£	£
Balance at 29 March 2015	50	249,950	100	10,287,829	10,537,929
Profit for the period	-	-	-	2,882,493	2,882,493
Total comprehensive income for the period	-	-	-	2,882,493	2,882,493
Transactions with owners					
Dividends	-	-	-	(3,000,000)	(3,000,000)
Balance at 2 April 2016	50	249,950	100	10,170,322	10,420,422
Profit for the period	-	-	-	2,851,097	2,851,097
Total comprehensive income for the period	-	-	-	2,851,097	2,851,097
Transactions with owners					
Balance at 1 April 2017	50	249,950	100	13,021,419	13,271,519

The notes on pages 10 to 24 form part of these financial statements.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 APRIL 2017

1 Accounting policies

1.1 Accounting convention

Abingdon Flooring Limited is a private limited company incorporated in England and Wales.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared under the historical cost convention.

The Company's financial statements are presented in Sterling.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Victoria Plc in which the entity is consolidated;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Victoria P.L.C. The group accounts of Victoria P.L.C are available to the public and can be obtained as set out in note 27.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Abingdon Flooring Limited is a wholly owned subsidiary of Victoria Plc and the results of Abingdon Flooring Limited are included in the consolidated financial statements of Victoria Plc.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

1 Accounting policies (Continued)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts measured at the fair value of the consideration received or receivable.

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- 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 economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised as interest accrues using the effective interest method.

1.4 Investments in associates and subsidiaries

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	10% straight line
Fixtures, fittings & equipment	5% to 50% straight line
Plant and machinery	Straight line over 5 to 15 years
Motor vehicles	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

1 Accounting policies (Continued)

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial assets

Financial assets are recognised in the balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1.11 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

1 Accounting policies (Continued)

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.13 Derivatives

The Company uses derivative financial instruments such as forward currency contracts to manage its exposure to foreign currency fluctuations. Forward contracts are initially measured at fair value on the date on which the contract is entered into and is subsequently re-measured at fair value. These contracts are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar profiles.

1.14 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised on the initial recognition of goodwill, nor on the initial recognition of assets or liabilities unless acquired in a business combination or in a transaction that affects tax or accounting profit. In addition, tax losses available to be carried forward as well as other income tax credits to the company are assessed for recognition as deferred tax assets. Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

1.15 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. The capital element reduces the balance owed to the lessor.

Rentals in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the agreement.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

1 Accounting policies (Continued)

1.17 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.

1.18 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Stock

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the economic environment and stock loss trends.

Key sources of estimation uncertainty

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological or product obsolescence that may change the utility of certain items of plant and machinery and IT equipment.

3 Turnover

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Carpet sales	64,623,859	62,074,138

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 APRIL 2017

3 Turnover (Continued)

Geographical market

	Turnover 2017 £	2016 £
United Kingdom	63,473,171	61,066,087
Europe	1,150,688	1,008,051
	<u>64,623,859</u>	<u>62,074,138</u>

4 Profit for the period

	2017 £	2016 £
Profit for the period is stated after charging/(crediting):		
Net foreign exchange losses/(gains)	38,309	(14,061)
Operating lease rentals	1,445,428	1,457,850
Government grants	-	(20,000)
Depreciation of property, plant and equipment	2,808,479	2,798,605
Cost of inventories recognised as an expense	32,836,532	29,363,881
Staff costs	12,940,463	12,763,407
Fees payable to the company's auditor for the audit of the company's annual accounts	21,300	16,500
	<u>21,300</u>	<u>16,500</u>

The company has taken advantage of the exemption to not disclose amounts paid for non-audit services as these are disclosed in the group accounts of the ultimate parent company.

5 Employees

	2017 Number	2016 Number
Manufacturing	311	309
Administration	75	79
	<u>386</u>	<u>388</u>

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

5 Employees (Continued)

	2017 £	2016 £
Wages and salaries	11,188,268	11,117,639
Social security costs	1,104,839	1,080,712
Pension costs	647,356	565,056
	<u>12,940,463</u>	<u>12,763,407</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	591,134	591,811
Company pension contributions to defined contribution schemes	149,337	149,337
	<u>740,471</u>	<u>741,148</u>

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

Remuneration for qualifying services	<u>179,596</u>	<u>179,478</u>
--------------------------------------	----------------	----------------

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2016 - 4).

No pension contributions were made for the highest paid director (2016 - £NIL).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	<u>3,748</u>	<u>3,114</u>

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	10,580	19,633
Interest on invoice finance arrangements	-	3,643
Interest payable to group undertakings	448,434	-
Interest on other loans	2	9,898
	<u>459,016</u>	<u>33,174</u>

9 Income tax expense

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	1,129,982	1,129,244
Adjustments in respect of prior periods	-	32,885
Total UK current tax	<u>1,129,982</u>	<u>1,162,129</u>
Deferred tax		
Origination and reversal of temporary differences	82,153	(403,827)
	<u>82,153</u>	<u>(403,827)</u>
Total tax charge	<u>1,212,135</u>	<u>758,302</u>

The charge for the Period can be reconciled to the profit per the profit and loss account as follows:

	2017 £	2016 £
Profit before taxation	<u>4,063,232</u>	<u>3,640,795</u>
Expected tax charge based on a corporation tax rate of 20% (2016: 20%)	812,646	728,159
Expenses not deductible in determining taxable profit	400,438	4,442
Income not taxable	(949)	-
Adjustment in respect of prior years	-	32,885
Permanent capital allowances in excess of depreciation	-	(7,184)
Tax charge for the period	<u>1,212,135</u>	<u>758,302</u>

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

10	Dividends	2017 per share	2016 per share	2017 £	2016 £	
	Amounts recognised as distributions to equity holders:					
	Ordinary A					
	Final dividend paid	-	6,000.00	-	2,550,000	
	Ordinary B					
	Final dividend paid	-	6,000.00	-	450,000	
	Total dividends					
	Final dividends paid			-	3,000,000	
	Interim dividends paid			-	-	
				-	3,000,000	
11	Tangible fixed assets					
		Freehold buildings	Fixtures, fittings & equipment	Plant and machinery	Motor vehicles	Total
		£	£	£	£	£
	Cost					
	At 2 April 2016	361,256	4,386,250	8,691,979	43,250	13,482,735
	Additions	-	2,157,728	822,455	17,330	2,997,513
	Disposals	-	(2,300,868)	-	-	(2,300,868)
	At 1 April 2017	361,256	4,243,110	9,514,434	60,580	14,179,380
	Accumulated depreciation and impairment					
	At 2 April 2016	126,441	2,395,449	5,759,359	34,639	8,315,888
	Charge for the Period	36,126	2,161,998	604,354	6,001	2,808,479
	Eliminated on disposal	-	(2,300,868)	-	-	(2,300,868)
	At 1 April 2017	162,567	2,256,579	6,363,713	40,640	8,823,499
	Carrying amount					
	At 1 April 2017	198,689	1,986,531	3,150,721	19,940	5,355,881
	At 2 April 2016	234,815	1,990,801	2,932,620	8,611	5,166,847

Assets with a net book value of £875,194 (2016: £683,590) are held under finance leases at the year end. Depreciation of £151,499 (2016: £164,638) was charged in respect of these assets.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

12 Investments

	Current 2017 £	2016 £	Non-current 2017 £	2016 £
Investments in subsidiaries	-	-	501	501

See note 13 for details of the company's subsidiary undertakings.

Movements in fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 28 March 2015 & 2 April 2016	501
Impairment	
At 28 March 2015 & 2 April 2016	-
Carrying amount	
At 01 April 2017	501
At 02 April 2016	501

13 Subsidiaries

Details of the company's subsidiaries at 1 April 2017 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Distinctive Flooring Limited	United Kingdom	100.00	100.00	Manufacture of hard flooring
Alliance Flooring Limited	United Kingdom	100.00	100.00	Distribution

All shares held in subsidiaries are ordinary class shares.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

14 Stocks	2017 £	2016 £
Raw materials	1,065,511	858,396
Work in progress	1,125,180	902,225
Finished goods	8,189,679	9,717,772
	<u>10,380,370</u>	<u>11,478,393</u>

15 Debtors	2017 £	2016 £
Trade debtors	9,368,387	7,448,074
Amounts due from subsidiary undertakings	3,494,224	1,545,722
Amounts due from group undertakings	67,709	62,481
Prepayments	578,080	445,467
	<u>13,508,400</u>	<u>10,796,450</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

16 Creditors	Due within one year	
	2017 £	2016 £
Trade creditors	9,068,560	8,620,592
Amount due to group undertakings	9,243,634	10,165,200
Accruals	411,480	538,366
	<u>18,723,674</u>	<u>19,324,158</u>

17 Derivative financial instruments

Forward foreign exchange contracts are held at fair value through the profit and loss account. The company has relied upon valuations performed by third party valuation specialised for complex valuations of the forward exchange contracts. Valuation techniques have utilised observable forward exchange rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for forward exchange contracts. All forward foreign exchange contracts expire within 12 months from 1 April 2017.

A debit of £38,310 (2016: £14,060 credit) has been recognised in the profit and loss account in respect of movements in the fair value of the forward foreign exchange contracts.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

18 Finance lease obligations

	Present value	
	2017	2016
	£	£
Amounts payable under finance leases:		
Within one year	129,514	214,682
In two to five years	367,183	24,498
	<u>496,697</u>	<u>239,180</u>

Analysis of finance leases

	2017	2016
	£	£
Current liabilities	129,514	214,682
Non-current liabilities	367,183	24,498
	<u>496,697</u>	<u>239,180</u>

Amounts due on finance leases are secured against the assets to which they relate.

19 Deferred taxation

	£
Deferred tax liability at 29 March 2015	227,306
Deferred tax movements in prior year	
Credit to profit or loss	(403,827)
Deferred tax asset at 2 April 2016	(176,521)
Deferred tax movements in current year	
Credit to profit or loss	82,153
Deferred tax asset at 1 April 2017	<u>(94,368)</u>

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

19 Deferred taxation (Continued)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2017 £	2016 £
Property, plant and equipment	<u>(94,368)</u>	<u>(176,521)</u>

20 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £647,356 (2016 - £565,056).

21 Share capital	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
425 Ordinary A of 10p each	42	42
75 Ordinary B of 10p each	8	8
	<u>50</u>	<u>50</u>

The A and B shares have full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

22 Share premium account

	£
At 28 March 2015	<u>249,950</u>
At 2 April 2016 & 1 April 2017	<u>249,950</u>

Share premium includes any premiums received on the issue of share capital.

ABINGDON FLOORING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 1 APRIL 2017

23 Capital redemption reserve

	£
At 28 March 2015	100
At 2 April 2016 & 1 April 2017	100

The capital redemption reserve arose on the redemption of convertible shares.

24 Operating leases commitments

Lessee

The company has total future minimum payments under non-cancellable operating leases as set out below.

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Within one year	665,040	985,414	438,855	415,355
Between two and five years	745,759	1,190,515	735,502	784,527
In over five years	270,303	450,505	-	-
	<u>1,681,102</u>	<u>2,626,434</u>	<u>1,174,357</u>	<u>1,199,882</u>

25 Capital commitments

Capital expenditure contracted but not provided for in the financial statements was £Nil (2016: £427,215).

26 Related party transactions

As permitted by FRS 101 related party transactions with wholly owned members of Victoria P.L.C. have not been disclosed.

27 Controlling party

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company Victoria P.L.C. The consolidated accounts of Victoria P.L.C are available on the group's website www.victoriapl.com, and from Victoria P.L.C, Worcester Road, Kidderminster, Worcestershire, DY10 1JR.