

Forbo Floors UK Limited

**Directors' report and financial statements for
the year ended 31 December 2015**

Registered number SC041400



MONDAY



SCT *S5GT9S8O* #120
03/10/2016
COMPANIES HOUSE

Contents

Company information	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditor's report to the members of Forbo Floors UK Limited	5
Profit and loss account	6
Statement of other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Company information

Directors

T Colas
A Fotheringhame
M Huenerwadel
D Greenway
A Spreiter

Company secretary

EJ Speed

Registered office

Den Road
Kirkcaldy
Fife
KY1 2ER

Independent auditor

KPMG LLP
Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Review of the business

Following a review of the group's administrative structure, a decision was made to sell the trade and assets of the company to Forbo Flooring UK Limited at market value on 31 December 2014. It should be noted that the production and support of the company's products continues as before within the Forbo group albeit under a different trading entity.

The company did not trade during the year ended 31 December 2015 and continues to hold its investment in Forbo Flooring UK Ltd.

Principal risks and uncertainties

The principal risk to the business is that the value of its investment becomes impaired.

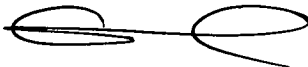
Key performance indicators (KPIs)

Following the transfer of the trade and assets of the company to another group undertaking, the directors do not manage the business by the use of traditional key performance indicators. Instead, the directors monitor the company's investment with emphasis being placed on the recoverability of the carrying value in the financial statements.

Future developments

The directors expect the company to act as an investment holding company for the foreseeable future.

By order of the board



EJ Speed
Company secretary

30 September 2016

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 December 2015.

Future developments

As discussed in the strategic report, the company ceased to trade on 31 December 2014 following the sale of its trade and assets to a fellow Forbo group company. The company continues to hold its investment in Forbo Flooring UK Ltd.

Results and dividends

The company did not trade during the year ended 31 December 2015 and made neither a profit nor a loss. The 2014 comparatives in the attached profit and loss account present the results of the business transferred to Forbo Flooring UK Limited on 31 December 2014.

No dividends were paid or proposed during the year ended 31 December 2015 (2014 : £nil).

Directors

The directors who held office during the year and up to the date this report was signed were as follows:

T Colas
A Fotheringham
M Huenerwadel
D Greenway
A Spreiter

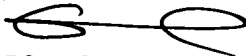
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



EJ Speed
Company secretary

30th September 2016

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Forbo Floors UK Limited

We have audited the financial statements of Forbo Floors UK Limited for the year ended 31 December 2015 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial 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, 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;

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

3 October 2016

Profit and loss account
for the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Turnover	2	-	127,299
Cost of sales		-	(96,895)
		<hr/>	<hr/>
Gross profit		-	30,404
Distribution costs		-	(5,541)
Administration expenses		-	(19,085)
Gain on sale of business		-	22,599
		<hr/>	<hr/>
Operating profit	3	-	28,377
		<hr/>	<hr/>
Other interest receivable and similar income	6	-	74
Interest payable and similar charges	7	-	(1,489)
Other finance income	13	-	3
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	26,965
Tax on profit on ordinary activities	8	-	(1,082)
		<hr/>	<hr/>
Profit for the financial year		-	25,883
		<hr/> <hr/>	<hr/> <hr/>

All operations discontinued following the transfer of the trade and assets of the company to another Forbo group company on 31 December 2014.

Statement of other comprehensive income
for the year ended 31 December 2015

	<i>Note</i>	2015 £000	2014 £000
Profit for the financial year		-	25,883
Other comprehensive income			
<i>Items which will not be recycled to profit or loss:</i>			
Actuarial gains on defined benefit pension plan	13	-	8,505
Tax on actuarial gains on defined benefit pension plan		-	(474)
		<hr/>	<hr/>
Other comprehensive income for the period net of income tax		-	8,031
		<hr/>	<hr/>
Total comprehensive income for the year		-	33,914
		<hr/> <hr/>	<hr/> <hr/>

Balance sheet
as at 31 December 2015

	Note	2015	2014
		£000	£000
Fixed assets			
Investments	9	77,000	-
Current assets			
Debtors	10	-	77,000
Net current assets		-	77,000
Total assets less current liabilities		<u>77,000</u>	<u>77,000</u>
Capital and reserves			
Called up share capital	11	3,610	3,610
Share premium account		32,973	32,973
Capital reserve		220	220
Profit and loss account		40,197	40,197
Total shareholder's funds		<u>77,000</u>	<u>77,000</u>

The financial statements of Forbo Floors UK Limited (formerly Forbo Flooring UK Limited), registered number SC041400, on pages 6 to 23 were approved by the board of directors and authorised for issue on 30th September 2016.



A Fotheringhame
Director

Statement of changes in equity
for the year ended 31 December 2015

	Called-up share capital £000	Share premium account £000	Capital reserve £000	Profit & loss account £000	Total equity £000
Balance as at 31 December 2013 as originally presented	3,610	32,973	220	9,783	46,586
Prior period adjustment (note 1)	-	-	-	(6,000)	(6,000)
Balance as at 31 December 2013 as restated	3,610	32,973	220	3,783	40,586
Adjustments on transition to FRS 102 (note 15)	-	-	-	2,500	2,500
Balance as at 1 January 2014	3,610	32,973	220	6,283	43,086
Total comprehensive income for the year					
Profit for the year	-	-	-	25,883	25,883
Other comprehensive income	-	-	-	8,031	8,031
	-	-	-	33,914	33,914
Balance as at 1 January 2015	3,610	32,973	220	40,197	77,000
Total comprehensive income for the year					
Profit for the year	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
	-	-	-	-	-
Balance as at 31 December 2015	3,610	32,973	220	40,197	77,000

Notes

(forming part of the financial statements)

1. Accounting policies

Forbo Floors UK Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the company is provided in note 15.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company's ultimate parent undertaking, Forbo Holding AG, includes the company in its consolidated financial statements. The consolidated financial statements of Forbo Holding AG are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address shown in note 14 to these financial statements. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Related party transactions with entities that are part of the group headed by the ultimate parent company;
- Cash flow statement and related notes; and
- Key management personnel compensation.

The most significant judgement made by the directors in the application of these accounting standards is the risk of impairment of investments. The directors have reviewed the carrying value of this investment and have considered it to be fully supportable.

Basis of preparation

The financial statements have been prepared in accordance with the historical cost accounting rules.

Prior period adjustment

Following the completion and filing of the company's financial statements for the year ended 31 December 2014, a previously unforeseen liability in respect of an error in the calculation of the defined benefit pension scheme liability was identified. The additional defined benefit pension scheme liability, which relates to periods before 31 December 2013, has been reflected as an adjustment to the opening balance sheet as at 31 December 2013 in these financial statements increasing pension liabilities by £6m and decreasing retained earnings by £6m. The trade and assets of the company were subsequently sold on 31 December 2014; the adjustment to the defined benefit pension liability thus increased the previously reported gain on sale at that date by £6m. This does not impact the previously reported net assets position of £77m as at 31 December 2014. Further details are given in note 15 to these financial statements.

Going concern

Following the transfer of the trade and assets to Forbo Flooring UK Limited on 31 December 2014 the company does not have any financial liabilities and will act as an intermediate investment company in future. Accordingly, the directors have a reasonable expectation that the company has limited future working capital requirements and therefore has adequate financial resources to continue in existence for the foreseeable future and they continue to adopt the going concern basis in preparing these financial statements.

Notes (continued)

1. Accounting policies (continued)

Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

1. Accounting policies (continued)

Fixed asset investments

Investments are stated at cost less provisions considered necessary by the directors for any permanent diminution in value of those investments.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the company's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

The company recognises actuarial gains and losses in the period they occur directly into equity through the statement of comprehensive income.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes (continued)

1. Accounting policies (continued)

Research and development

Expenditure on research and development is written off against profits in the period in which it is incurred.

Government grants

Revenue grants are credited to the profit and loss account when received.

Turnover

Turnover comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

Prior to 31 December 2014 the company manufactured and sold floor coverings and provided a sub-contracted fitting service. Sales of goods were recognised when the product was delivered to the specified location and risk transferred to the customer. Service revenue was recognised post fitting and upon receiving approval from the customer.

2. Turnover

The analysis of turnover by geographical area is as follows:

	2015	2014
	£000	£000
<i>Geographical area</i>		
UK	-	77,775
Overseas	-	49,524
	<hr/>	<hr/>
	-	127,299
	<hr/> <hr/>	<hr/> <hr/>

3. Operating profit

	2015	2014
	£000	£000
<i>Operating profit is stated after charging:</i>		
Depreciation - owned assets	-	2,609
- leased assets	-	243
Amortisation of goodwill	-	2,421
Operating lease charges – land and buildings	-	372
Operating lease charges - plant and machinery	-	231
Research and development expenditure	-	1,018
Gain on sale of tangible fixed assets	-	(22)
<i>Auditors' remuneration:</i>		
- audit of these financial statements	-	32
	<hr/> <hr/>	<hr/> <hr/>

The 2015 audit fees are being borne by another group company, Forbo Flooring UK Limited, and are disclosed in the accounts of that company.

Notes (continued)

4. Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2015 Number	2014 Number
Production	-	351
Sales	-	104
Administration	-	115
	<hr/>	<hr/>
	-	570
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll cost of these persons was as follows:

	2015 £000	2014 £000
Wages and salaries	-	17,192
Social security costs	-	1,490
Other pension costs	-	1,667
	<hr/>	<hr/>
	-	20,349
	<hr/> <hr/>	<hr/> <hr/>

5. Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments	-	231
Pension contributions	-	10
	<hr/>	<hr/>
	-	241
	<hr/> <hr/>	<hr/> <hr/>

The emoluments of the highest paid director were £nil (2014: £130,450). In addition company pension contributions of £nil (2014: £7,200) were made to a money purchase scheme on behalf of the highest paid director.

Retirement benefits are accruing to no (2014: two) directors under money purchase pension schemes.

6. Other interest receivable and similar income

	2015 £000	2014 £000
Bank interest receivable	-	36
Interest receivable from group undertakings	-	38
	<hr/>	<hr/>
	-	74
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

7. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	-	38
Interest payable to group undertakings	-	1,437
Finance charges payable in respect of finance leases	-	14
	<hr/>	<hr/>
	-	1,489
	<hr/>	<hr/>

8. Taxation

	2015 £000	2014 £000
<i>Current tax</i>		
Current period	-	555
Adjustments in respect of prior periods	-	3
	<hr/>	<hr/>
Total current tax	-	558
<i>Deferred taxation</i>		
Origination and reversal of timing differences	-	410
Rate adjustment	-	114
	<hr/>	<hr/>
	-	524
	<hr/>	<hr/>
Total tax	-	1,082
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2015 £000	2014 £000
Profit for the year	-	25,883
Total tax expense	-	1,082
	<hr/>	<hr/>
Profit excluding taxation	-	26,965
<i>Tax using the UK corporation tax rate of 20% (2014: 21.5%)</i>	-	5,797
Non-deductible expenses	-	883
Difference between capital allowances and depreciation	-	(32)
Other short term timing differences	-	1
Utilisation of prior year losses	-	(825)
Adjustment in respect of prior periods	-	3
Gain on sale of business	-	(4,859)
Rate adjustment	-	114
	<hr/>	<hr/>
Total tax charge	-	1,082
	<hr/>	<hr/>

Notes (continued)

9. Investments

	£000
<i>Cost</i>	
At 1 January 2015	-
Additions	77,000
	<hr/>
As at 31 December 2015	77,000
	<hr/> <hr/>

On 10 February 2015, the company acquired 77,000,000 preference shares of £1 each in settlement of the outstanding intercompany balance owed to it by Forbo Flooring UK Limited. The preference shares carry the right to receive a dividend in any financial year equal to 4% of the issue price. The preference dividend will only be declared in any financial year where the issuer has generated sufficient profits for the purpose of declaring a preference dividend. The entitlement to a preference dividend is not cumulative. The preference shares do not carry any voting rights or entitlement to ordinary dividends of the company.

In the opinion of the directors, no impairment is required in respect of the investment held.

10. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	-	77,000
	<hr/>	<hr/>

11. Called up share capital

	2015 £000	2014 £000
<i>Authorised, allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	3,610	3,610
	<hr/>	<hr/>

12. Reserves

The share premium account represents the premium of consideration paid over the par value of issued ordinary share capital.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

Notes (continued)

13. Pensions

The Forbo Superannuation Fund was closed to new entrants with effect from 1 April 2004 but remains open to certain members who continue to accrue future service benefits. Contributions to the scheme, in respect of these members, are determined by qualified actuaries using the projected unit credit method. The scheme is accounted for in accordance with FRS 102.

Under the terms of the pension scheme rules, the group has a contingent liability in respect of Guaranteed Minimum Pensions ('GMP'), as defined by the Social Security Act 1975. If the scheme's investments fail to provide a sufficient return to meet the Guaranteed Minimum Pension level, the company is liable to provide sufficient funds to make up any shortfall. As the GMP is dependent on future events it is not possible to quantify any contingent liability.

Following the sale of the trade and assets of the company to Forbo Flooring UK Limited on 31 December 2014, Forbo Flooring UK Limited became the sponsoring employer of the Forbo Superannuation Fund. As a result all assets and future obligations in respect of the defined benefit pension scheme were transferred to Forbo Flooring UK Limited on that date.

An actuarial valuation of the pension scheme, using the projected unit credit basis, was carried out as at 31 December 2014 by First Actuarial, consulting actuaries. The major assumptions used by the actuaries were:

	2015	2014
	%	%
Rate of increase in salaries	-	4.05
Rate of increase in pensions in payment	-	3.30
Discount rate	-	3.70
Rate of inflation	-	3.30
	<hr/>	<hr/>

The mortality assumptions used were as follows:-

	2015	2014
	Years	Years
Longevity at age 65 for current pensioners:		
Men	-	21.60
Women	-	24.10
Longevity at age 65 for future pensioners:		
Men	-	23.40
Women	-	26.10
	<hr/>	<hr/>

Notes (continued)

13. Pensions (continued)

Reconciliation of present value of scheme liabilities

	2015 £000	2014 £000
At 1 January	-	147,416
Current service cost	-	407
Interest cost	-	5,953
Members' contributions	-	6
Benefits paid	-	(6,641)
Administration costs	-	(6)
Actuarial loss	-	10,570
Transfer to group undertaking	-	(157,705)
	<hr/>	<hr/>
At 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of present value of scheme assets

	2015 £000	2014 £000
At 1 January	-	141,668
Expected return on scheme assets	-	5,956
Employer contributions	-	16
Members' contributions	-	6
Benefits paid	-	(6,641)
Actuarial gain	-	19,069
Transfer to group undertaking	-	(160,074)
	<hr/>	<hr/>
At 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13. Pensions (continued)

The pension scheme assets do not include any of the company's own financial instruments, or any property occupied by the company.

The expected return on the pension scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long term real rates of return experienced in the respective markets.

The actual return on the pension scheme assets in 2014 was a gain of £25,025,000.

Analysis of amounts credited / (charged) to the profit and loss account

	2015 £000	2014 £000
Expected return on pension scheme assets	-	5,956
Interest on pension scheme liabilities	-	(5,953)
	<hr/>	<hr/>
Net income	-	3
	<hr/>	<hr/>

The above amounts are included within other finance income in the profit and loss account.

	2015 £000	2014 £000
Current service cost	-	407
	<hr/>	<hr/>

The above amount is included within administrative expenses in the profit and loss account.

Amounts for current and previous years

	2015 £000	2014 £000
Defined benefit obligation	-	-
Pension scheme assets	-	-
	<hr/>	<hr/>
Surplus / (deficit)	-	-
Experience gains on scheme assets	-	19,069
Total amount recognised in the statement of total comprehensive income	-	8,505
	<hr/>	<hr/>

Notes (continued)

13. Pensions (continued)

During 2014 the company operated defined contribution pension schemes. The assets of the defined contribution schemes were held separately from those of the company in independently administered funds. Pension contributions were charged to the profit and loss account as they become due and payable in accordance with the rules of the scheme. The pension cost for the year to 31 December 2014 was £1,260,000. As at 31 December 2014 there were pension contributions of £106,000 outstanding in respect of these schemes. The liability was transferred to Forbo Flooring UK Limited on 31 December 2014 as part of the transfer of trade and assets of the company.

14. Ultimate holding company

The directors regard Forbo Holding AG, a company registered in Switzerland, as the ultimate parent company and the ultimate controlling party.

Forbo Participations SAS is the immediate parent company.

Forbo Holding AG is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2015.

Copies of the consolidated financial statements of Forbo Holding AG may be obtained from Lindenstrasse 8, Postfach 1041, CH-6341, Baar, Switzerland.

Notes (continued)

15. Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the company's financial position and financial performance is set out in the following tables.

Reconciliation of profit for the year

	2014 £000
Profit for the year reported under UK GAAP	28,067
Adjustments on transition to FRS 102:	
Defined benefit pension plan current service cost	(401)
Defined benefit pension plan other finance income	100
Net effect of removal of prior year surplus cap on pension scheme	(7,883)
Profit for the year under FRS 102 before effect of prior year adjustment (note 1)	19,883
Prior period adjustment relating to pension liability (note 1)	6,000
Profit for the year reported under FRS 102	25,883

15. Explanation of transition to FRS 102 from old UK GAAP (continued)

	1 January 2014		FRS 102 Adjustments £000	FRS 102 £000	31 December 2014		
	UK GAAP £000	Prior period adjustment £000			2014 as Presented £000	FRS 102 Adjustment £000	2014 FRS 102 £000
Balance sheet							
Intangible assets	34,410	-	-	34,410	-	-	-
Investments – preference shares	2,794	-	-	2,794	-	-	-
Tangible assets	21,317	-	-	21,317	-	-	-
Stocks	15,847	-	-	15,847	-	-	-
Debtors – Forbo Flooring UK Limited	18,877	-	-	18,877	77,000	-	77,000
Cash at bank and in hand	14,880	-	-	14,880	-	-	-
Total assets	108,125	-	-	108,125	77,000	-	77,000
Creditors falling due within one year	(57,510)	-	-	(57,510)	-	-	-
Total assets less current liabilities	50,615	-	-	50,615	77,000	-	77,000
Creditors falling due after one year	(829)	-	-	(829)	-	-	-
Deferred income	(952)	-	-	(952)	-	-	-
Pension liability	(2,248)	(6,000)	2,500	(5,748)	-	-	-
Net assets	46,586	(6,000)	2,500	43,086	77,000	-	77,000
Called up share capital	3,610	-	-	3,610	3,610	-	3,610
Share premium account	32,973	-	-	32,973	32,973	-	32,973
Capital reserve	220	-	-	220	220	-	220
Profit and loss account	9,783	(6,000)	2,500	6,283	40,197	-	40,197
	46,586	(6,000)	2,500	43,086	77,000	-	77,000

15. Explanation of transition to FRS 102 from old UK GAAP (continued)

	1 January 2014			FRS 102	31 December 2014		
	UK GAAP	Note A Prior period adjustment	Note B FRS 102 Adjustments		2014 as Presented	Note C FRS 102 Adjustment	2014 FRS 102
	£000	£000	£000	£000	£000	£000	£000
Reserves							
Opening balance	46,945	-	-	46,945	46,586	(3,500)	43,086
Profit and loss account	2,114	-	-	2,114	28,067	(2,184)	25,883
Gain on pension scheme	(2,999)	-	-	(2,999)	10,704	(2,199)	8,505
Effect of surplus cap on pension scheme	466	-	2,500	2,966	(8,354)	8,354	-
Prior period adjustment		(6,000)	-	(6,000)	-	-	-
Movement on deferred tax relating to pension liability	60	-	-	60	(3)	(471)	(474)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing balance	46,586	(6,000)	2,500	43,086	77,000		77,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>		<hr/>

Note A Prior year adjustment to defined benefit scheme calculation (refer note 1)

Note B Adjustment to remove opening surplus cap restrictions under FRS 102

Note C Impact of opening and current year adjustments referred to in Note A and Note B above.