

Company Registered Number: 03155746 (United Kingdom)

FURLONG FLOORING (CENTRAL) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018



FURLONG FLOORING (CENTRAL) LIMITED

COMPANY INFORMATION

Directors	Muir O'Loughlen Noel Furlong Daryl Snape Karen Furlong Neil Valentine
Company secretary	Daryl Snape
Registered number	03155746
Registered office	Unit 283 Carnfield Place Walton Summit Bamber Bridge Preston Lancashire PR5 8AN
Independent auditors	HSOC Accountants Limited Chartered Accountants & Registered Auditors Adelaide House 90 Upper Georges Street Dun Laoghaire Co. Dublin
Bankers	Yorkshire Bank 3 Orchard Street Preston PR1 2EN Danske Bank International House 3 Harbourmaster Place IFSC Dublin 1 NatWest Bank 277 Station Road Bamber Bridge Preston PR5 6DZ

FURLONG FLOORING (CENTRAL) LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

Introduction

The directors present their strategic report for the year ended 30 June 2018.

Business review

The principal activities of the company continued to be wholesale carpet distribution.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of increased interest rates, inflation and foreign exchange rates having an impact on served markets. These are managed by quality product sourcing and strict control of costs.

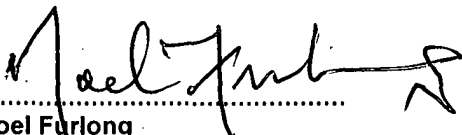
Competitor risk

The directors of the company manage competition through careful attention to customer service levels product quality.

Financial risk

The directors of the company closely monitor the company's trading activities to manage credit, liquidity and other financial risks.

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


.....
Noel Furlong
Director

Date: 20 March 2019

FURLONG FLOORING (CENTRAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Results and dividends

The profit for the year, after taxation, amounted to £285,932 (2017 - £186,705).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Muir O'Loughlen
Noel Furlong
Daryl Snape
Karen Furlong
Neil Valentine

Future developments

There are no future developments envisaged which would materially effect the nature and level of the company's activities.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

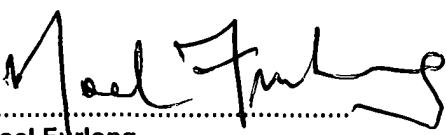
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, HSOC Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


.....
Noel Furlong
Director

Date: 20 March 2019

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FURLONG FLOORING (CENTRAL) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURLONG FLOORING (CENTRAL) LIMITED

Opinion

We have audited the financial statements of Furlong Flooring (Central) Limited (the 'company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURLONG FLOORING (CENTRAL) LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURLONG FLOORING (CENTRAL) LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

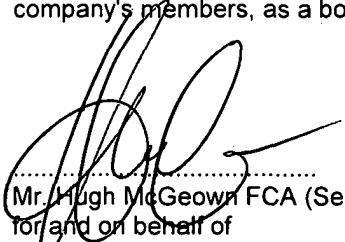
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FURLONG FLOORING (CENTRAL) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURLONG FLOORING (CENTRAL)
LIMITED (CONTINUED)**

Use of our report

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.



.....
Mr. Hugh McGeown FCA (Senior Statutory Auditor)
for and on behalf of
HSOC Accountants Limited
Statutory Audit Firm
Dublin

20 March 2019

FURLONG FLOORING (CENTRAL) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 £	2017 £
Turnover	3	22,964,717	22,131,232
Cost of sales		(17,832,690)	(17,082,449)
Gross profit		5,132,027	5,048,783
Distribution costs		(1,757,203)	(1,793,290)
Administrative expenses		(3,089,084)	(3,068,913)
Operating profit		285,740	186,580
Interest payable and expenses	8	192	125
Profit before tax		285,932	186,705
Profit for the financial year		285,932	186,705

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 11 to 22 form part of these financial statements.

FURLONG FLOORING (CENTRAL) LIMITED
REGISTERED NUMBER: 03155746

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	515,316	573,020
		<u>515,316</u>	<u>573,020</u>
Current assets			
Stocks	11	3,929,872	4,185,877
Debtors: amounts falling due within one year	12	9,303,599	8,884,702
Cash at bank and in hand	13	194,570	153,030
		<u>13,428,041</u>	<u>13,223,609</u>
Creditors: amounts falling due within one year	14	(6,752,207)	(6,891,411)
Net current assets		<u>6,675,834</u>	<u>6,332,198</u>
Total assets less current liabilities		<u>7,191,150</u>	<u>6,905,218</u>
Net assets		<u><u>7,191,150</u></u>	<u><u>6,905,218</u></u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Profit and loss account	18	7,190,150	6,904,218
		<u><u>7,191,150</u></u>	<u><u>6,905,218</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2019.


 Noel Furlong
 Director

The notes on pages 11 to 22 form part of these financial statements.

FURLONG FLOORING (CENTRAL) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2016	1,000	6,717,513	6,718,513
Comprehensive income for the year			
Profit for the year	-	186,705	186,705
	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	186,705	186,705
Total transactions with owners	-	-	-
At 1 July 2017	1,000	6,904,218	6,905,218
Comprehensive income for the year			
Profit for the year	-	285,932	285,932
	-	-	-
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	285,932	285,932
Total transactions with owners	-	-	-
At 30 June 2018	1,000	7,190,150	7,191,150

The notes on pages 11 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Furlong Investments Limited as at 30 June 2018 and these financial statements may be obtained from The Companies Registration Office.

1.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. Accounting policies (continued)**1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

1.5 Operating leases: the company as lessee

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

1.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.7 Pensions**Defined contribution pension plan**

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

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

1.8 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. Accounting policies (continued)**1.9 Tangible fixed assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	20%
Motor vehicles	-	25%
Fixtures and fittings	-	15%

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

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

1.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Net realisable value is the estimated selling price of the stocks less all further costs to completion to include costs of marketing, distribution and selling.

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

1.11 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. Accounting policies (continued)**1.12 Cash and cash equivalents**

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

1.13 Creditors

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

1.14 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

FURLONG FLOORING (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

Estimates and judgments are evaluated continually and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal estimates and assumptions that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

Provisions

The directors have reviewed the stock obsolescence and bad debt provision and have concluded that the provisions are appropriate.

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sales	22,964,717	22,131,232
	<u>22,964,717</u>	<u>22,131,232</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	135,601	140,943
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,061	14,538
Defined contribution pension cost	13,485	9,882
	<u>161,147</u>	<u>165,363</u>

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>12,061</u>	<u>14,538</u>

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

FURLONG FLOORING (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

6. Employees

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

	2018 £	2017 £
Wages and salaries	1,390,147	1,385,709
Social security costs	145,604	143,255
Cost of defined contribution scheme	13,485	9,882
	<u>1,549,236</u>	<u>1,538,846</u>

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

	2018 No.	2017 No.
Warehouse & Distribution	36	37
Selling & Administration	28	30
	<u>64</u>	<u>67</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	137,615	134,860
	<u>137,615</u>	<u>134,860</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	(192)	(125)
	<u>(192)</u>	<u>(125)</u>

FURLONG FLOORING (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

9. Taxation**Factors affecting tax charge for the year**

The tax assessed for the year differs to the standard rate of corporation tax in the UK of 18% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>285,932</u>	<u>186,705</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 18% (2017 - 19.75%)	51,468	36,874
Effects of:		
Capital allowances for year in excess of depreciation	(23,976)	(17,695)
Other differences leading to an increase (decrease) in the tax charge	(27,492)	(19,179)
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

FURLONG FLOORING (CENTRAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

10. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2017	400,000	27,470	1,432,450	1,859,920
Additions	-	-	77,897	77,897
At 30 June 2018	400,000	27,470	1,510,347	1,937,817
Depreciation				
At 1 July 2017	400,000	25,150	861,750	1,286,900
Charge for the year on owned assets	-	2,320	133,281	135,601
At 30 June 2018	400,000	27,470	995,031	1,422,501
Net book value				
At 30 June 2018	-	-	515,316	515,316
At 30 June 2017	-	2,320	570,700	573,020

FURLONG FLOORING (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

11. Stocks

	2018 £	2017 £
Finished goods and goods for resale	3,929,872	4,185,877
	<u>3,929,872</u>	<u>4,185,877</u>

Stock recognised in cost of sales during the year as an expense was £3,929,871 (2017 - £3,950,152) .

An impairment loss of £Nil (2017 - £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There are no material differences between the replacement cost of stock and the balance sheet amounts.

12. Debtors

	2018 £	2017 £
Trade debtors	4,845,458	4,424,749
Amounts owed by group undertakings	4,293,186	4,293,186
Other debtors	-	595
Prepayments and accrued income	164,955	166,172
	<u>9,303,599</u>	<u>8,884,702</u>

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	194,570	153,030
	<u>194,570</u>	<u>153,030</u>

FURLONG FLOORING (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	5,300,256	5,491,993
Amounts owed to group undertakings	641,003	641,003
Corporation tax	8,829	-
Other taxation and social security	300,686	245,733
Other creditors	4,446	2,013
Accruals and deferred income	496,987	510,669
	<u>6,752,207</u>	<u>6,891,411</u>
	2018 £	2017 £
Other taxation and social security		
PAYE/NI	56,084	58,209
VAT	244,601	187,523
	<u>300,685</u>	<u>245,732</u>

15. Secured loans

Danske Bank hold a mortgage over Unit 283, Carnfield Place, Walton Summit, Bamber Bridge, Preston, Lancs PR5 8AN.

FURLONG FLOORING (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	194,570	153,030
Financial assets that are debt instruments measured at amortised cost	9,138,644	8,717,935
	<u>9,333,214</u>	<u>8,870,965</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,442,691)</u>	<u>(6,645,679)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, amounts owed to group undertakings and accruals and deferred income.

17. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

18. Reserves

Profit and loss account

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfer to/from other reserves.

FURLONG FLOORING (CENTRAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

19. Contingent liabilities

The company has provided cross guarantees to the following group companies:

Furlong Investments Limited
Furlong Flooring Limited
Furlong Design & Development Limited
O' Dea & Co Limited
Furlong Flooring (Southern) Limited
Furlong Flooring (Wales) Limited
Furlong Holdings (UK) Limited
Regency Carpet Manufacturing Limited
Wagermotion Limited

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,485 (2017: £9,882). Contributions totaling £4,341 (2017: £1,958) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 30 June 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	367,590	417,269
Later than 1 year and not later than 5 years	690,340	1,034,073
	<u>1,057,930</u>	<u>1,451,342</u>

22. Related party transactions

The company has taken advantage of the exemption under FRS102 not to disclose transactions between group companies.

23. Controlling party

The directors regard Furlong Holdings (UK) Limited, a company incorporated in Northern Ireland, as its parent company and Furlong Investments Limited, a company incorporated in the Republic of Ireland with a registered office a Springbank, Pollardstown, The Curragh, Co. Kildare as its ultimate parent company.

The company regards Noel Furlong (director) as the ultimate controlling party.