

## **Report and Accounts**

### *Colefax and Fowler Holdings Limited*

**30 April 2018**

**Company Number 2274764**

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# Colefax and Fowler Holdings Limited

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Company Number 2274764

## **DIRECTORS**

D. B. Green  
R. M. Barker

## **SECRETARY**

R. M. Barker

## **AUDITORS**

BDO LLP  
55 Baker Street  
London W1U 7EU

## **REGISTERED OFFICE**

19-23 Grosvenor Hill  
London W1K 3QD

## STRATEGIC REPORT

### STRATEGY AND BUSINESS MODEL

The Company acts as a holding company for Colefax and Fowler Inc., a company incorporated in the United States of America, whose principal activity is to act as a holding company for Cowtan and Tout Inc., a company also incorporated in the United States of America. Cowtan and Tout Inc. designs, markets and distributes wallpaper and fabrics in the United States, Canada and Asia.

The Company also holds 100% of the share capital of Colefax and Fowler GmbH, a company incorporated in Germany, whose principal activity is the distribution of wallpaper and fabrics in Germany.

### KEY PERFORMANCE INDICATORS

	2018	2017
Dividends received	£1,440,000	£1,598,000

Dividends of £1,440,000 were received from subsidiary companies during the year (2017 - £1,598,000). As the Company acts a holding company, the directors are of the opinion that there are no other KPIs relevant in assessing the performance of the Company.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the business is that the carrying value of its investments is not adequately supported by expected future cash flows from those investments. The directors regularly monitor the trading performance of the subsidiary companies by reference to turnover and operating profit.

On behalf of the board



R. M. Barker  
Director

24 January 2019

# Colefax and Fowler Holdings Limited

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## DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 30 April 2018 for Colefax and Fowler Holdings Limited.

### RESULTS AND DIVIDENDS

The profit on ordinary activities for the year, after taxation, amounted to £1,435,000 (2017 – £1,596,000). A dividend of £1,450,000 was paid during the year (2017 - £1,598,000). A review of the business is provided in the Strategic Report on page 2.

### PRINCIPAL ACTIVITY

The Company's principal activity is to act as holding company for Colefax and Fowler Inc and Colefax & Fowler GmbH.

### DIRECTORS

The directors of the Company during the year ended 30 April 2018 were as follows:

D. B. Green  
R. M. Barker

### AUDITORS

The current directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP will be reappointed as the company's auditor in accordance with the elective resolution passed by the company under section 487 of the Companies Act 2006.

On behalf of the board



R. M. Barker  
Director

24 January 2019

## Colefax and Fowler Holdings Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and 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 including FRS 101 "Reduced Disclosure Framework" ("FRS101") and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing 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 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 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.

# Colefax and Fowler Holdings Limited

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEFAX AND FOWLER HOLDINGS LIMITED

### **Opinion**

We have audited the financial statements of Colefax and Fowler Holdings Limited ("the Company") for the year ended 30 April 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 101 *Reduced Disclosure Framework* (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 April 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 Auditor's 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 UK, including the FRC'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 auditor's 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 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

## Colefax and Fowler Holdings Limited

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEFAX AND FOWLER HOLDINGS LIMITED

- 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; and
- the Strategic report and 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 and Director's 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 Statement of Directors' responsibilities, 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.

#### ***Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Colefax and Fowler Holdings Limited

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEFAX AND FOWLER HOLDINGS LIMITED

#### 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 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.

BDO LLP

Anthony Perkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
24 January 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Colefax and Fowler Holdings Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 April 2018

	<i>Notes</i>	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Administrative expenses		(5)	(2)
<b>OPERATING (LOSS) / PROFIT FROM OPERATIONS</b>		<b>(5)</b>	<b>(2)</b>
Finance income	3	133	146
Finance expense payable to group undertaking		(133)	(146)
Dividends received		1,440	1,598
<b>PROFIT BEFORE TAXATION</b>		<b>1,435</b>	<b>1,596</b>
Tax on profit on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,435</b>	<b>1,596</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,435</b>	<b>1,596</b>

All activity has arisen from continuing operations.

The notes on pages 11 to 15 form part of the financial statements.

# Colefax and Fowler Holdings Limited

## BALANCE SHEET

for the year ended 30 April 2018

		2018	2017
	Notes	£000	£000
<b>NON CURRENT ASSETS</b>			
Investments	5	3,017	3,017
Receivables: amounts due after more than one year	6	7,000	7,650
		<u>10,017</u>	<u>10,667</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		<u>139</u>	<u>521</u>
<b>CURRENT LIABILITIES</b>	7	<u>76</u>	<u>443</u>
<b>NET CURRENT ASSETS</b>		<u>63</u>	<u>78</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,080</u>	<u>10,745</u>
<b>NON CURRENT LIABILITIES</b>	8	<u>7,000</u>	<u>7,650</u>
<b>NET ASSETS</b>		<u><u>3,080</u></u>	<u><u>3,095</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9, 10	3,000	3,000
Retained earnings	10	<u>80</u>	<u>95</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>3,080</u></u>	<u><u>3,095</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 January 2019.

*R. M. Barker*

R. M. Barker  
Director

The notes on pages 11 to 15 form part of the financial statements.

Company No. 2274764

## Colefax and Fowler Holdings Limited

### STATEMENT OF CHANGES IN EQUITY at 30 April 2018

	<i>Share capital £000</i>	<i>Retained earnings £000</i>	<i>Total £000</i>
<b>AT 1<sup>st</sup> MAY 2017</b>	3,000	95	3,095
Profit for the year	–	1,435	1,435
Dividends paid	–	(1,450)	(1,450)
<b>AT 30<sup>th</sup> APRIL 2018</b>	3,000	80	3,080
<b>AT 1<sup>st</sup> MAY 2016</b>	3,000	97	3,097
Profit for the year	–	1,596	1,596
Dividends paid	–	(1,598)	(1,598)
<b>AT 30<sup>th</sup> APRIL 2017</b>	3,000	95	3,095

The notes on pages 11 to 15 form part of the financial statements.

# Colefax and Fowler Holdings Limited

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## NOTES TO THE ACCOUNTS for the year ended 30 April 2018

### 1. ACCOUNTING POLICIES

#### *Basis of Preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Colefax Group plc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Colefax Group plc. These financial statements do not include certain disclosures in respect of:

- Business combinations;
- Financial Instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

The financial statements of Colefax Group Plc can be obtained as described in note 13.

#### *Critical accounting estimates and judgements*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgement in applying the Company's accounting policies. The only area where significant judgements and estimates have been made in preparing the financial statements are in consideration of the carrying value of the Company's investments and receivables. Management consider the underlying assets and cash flows in order to assess the recoverability of these balances.

# Colefax and Fowler Holdings Limited

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## NOTES TO THE ACCOUNTS for the year ended 30 April 2018

### 1. ACCOUNTING POLICIES (CONTINUED)

#### *Foreign currencies*

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

#### *Investments*

Investments, including the Company's investments in subsidiaries, are stated at cost less any provision for impairment.

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date.

Deferred balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### *Dividends*

Dividends are recognised in the year in which they are declared and paid.

### 2. DIRECTORS' REMUNERATION

No director received any fees or other emoluments in respect of their duties as directors of the company or otherwise for the management of the company (2017 – £nil).

### 3. FINANCE INCOME

	2018 £000	2017 £000
Interest receivable from group undertaking	133	146

## Colefax and Fowler Holdings Limited

### NOTES TO THE ACCOUNTS for the year ended 30 April 2018

#### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2018 £000	2017 £000
(a) Analysis of tax charge for the year:		
UK corporation tax		
UK corporation tax on profits of the year	-	-
Total income tax expense	-	-

#### (b) Factors affecting the tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below.

Profit on ordinary activities before taxation	1,435	1,596
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017 – 19.92%)	273	318
Effect of:		
Income not subject to tax	(273)	(318)
Total tax expense	-	-

#### 5. INVESTMENTS

	2018 £000	2017 £000
Investments in subsidiaries	3,017	3,017

The Company holds 100% of the share capital of Colefax and Fowler Inc., a company incorporated in the United States of America, whose principal activity is to act as the holding Company of Cowtan and Tout Inc., a company incorporated in the United States of America, whose principal activities are the design, marketing and distribution of wallpaper and fabrics in the United States, Canada and Asia. The registered office address is 205, Hudson Street, New York, NY 10013, USA.

The Company also holds 100% of the share capital of Colefax and Fowler GmbH, a company incorporated in Germany, whose principal activity is the distribution of wallpaper and fabrics in Germany. The registered office address is 13, Ottostrasse, 80333 Munich, Germany.

# Colefax and Fowler Holdings Limited

## NOTES TO THE ACCOUNTS for the year ended 30 April 2018

**6. RECEIVABLES:** amounts due after more than one year

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Amount owed by subsidiary undertaking	7,000	7,650
Interest receivable on the amount owed by subsidiary undertaking at 1.25% over LIBOR.		

**7. CURRENT LIABILITIES**

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Amount owed to parent undertaking	76	443
	76	443

**8. NON CURRENT LIABILITIES**

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
Amount owed to parent undertaking	7,000	7,650
Interest payable on the amount owed to parent undertaking at 30 April 2018 is at 1.25% over LIBOR.		

**9. SHARE CAPITAL**

	<i>2018</i> <i>£000</i>	<i>2017</i> <i>£000</i>
<i>Authorised</i> 3,500,000 Ordinary shares of £1 each	3,500	3,500
<i>Allotted, called up and fully paid</i> 3,000,000 Ordinary shares of £1 each	3,000	3,000

# Colefax and Fowler Holdings Limited

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## NOTES TO THE ACCOUNTS

for the year ended 30 April 2018

### 10. RESERVES

The following describes the nature and purpose of each reserve within owners' equity:

<i>Reserve</i>	<i>Description and purpose</i>
Share capital	Amount subscribed for share capital at nominal value.
Retained earnings	Cumulative net gains and losses recognised in the profit and loss account.

### 11. GUARANTEES

There is a cross guarantee between the company and each of the UK group undertakings in respect of their overdraft facilities. At 30 April 2018, the value of these overdrafts covered by the guarantee amounted to £1,689,000 (2017 - £2,492,000).

### 12. GROUP ACCOUNTS

The financial statements contain information about Colefax and Fowler Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt from the obligation to prepare and deliver group accounts by virtue of section 400 of the Companies Act 2006. Its results are included in the consolidated accounts of Colefax Group Plc, registered in England and Wales.

### 13. PARENT UNDERTAKING

The ultimate parent undertaking of the Company and the parent undertaking for which group accounts are drawn up and of which the company is a member, is Colefax Group Plc, registered in England and Wales. Copies of Colefax Group Plc's accounts can be obtained from 19-23 Grosvenor Hill, London W1K 3QD.