

Amtico Holdings Limited

Annual report and financial statements  
for the period ended 31 December 2012

Registered number 3124209



# **Amtico Holdings Limited**

## **Annual report and financial statements for the period ended 31 December 2012**

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# Amtico Holdings Limited

## Directors' report for the period ended 31 December 2012

The directors present their annual report and the audited financial statements of the company for the period ended 31 December 2012

### Principal activities, business review and future developments

The company principally operates as an intermediate holding company for the Maneto (UK) 3 Limited group. The results of the business for the period were in line with management expectations, as are future prospects for the company.

### Key performance indicators (KPIs)

As Amtico Holdings Limited is an intermediate holding company within the Maneto (UK) 3 Limited group it does not individually monitor key performance indicators. Analysis of key group KPI's are given in the consolidated financial statements of Maneto (UK) 3 Limited.

### Principal risks and uncertainties

#### *Financial risk management*

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's Finance Department. The department has policies that set out specific guidelines to manage credit risk.

#### *Price risk*

The company has no direct exposure to equity securities price risk as it holds no listed or other equity investments.

#### *Credit risk*

The company has no direct exposure to credit risk as there are no external customers.

#### *Liquidity risk*

The company is supported by group secured loan facilities with Bank of America, N A, arranged by the Mannington Mills, Inc. group which are subject to a number of covenants. Despite a challenging economic environment, current trading performance during 2013 remains satisfactory with compliance on all covenants achieved. However, the directors have reviewed the forecasts for the next 18 months and consider that whilst the facilities are sufficient in terms of amounts which can be borrowed, covenant headroom is insufficient to be certain that a covenant breach would not occur during that period.

Based on constant dialogue and the maintenance of good relationships with the senior and second lien lenders, the directors have a reasonable expectation that, should a covenant breach be foreseen within short term forecasts, a waiver of that covenant could be negotiated with those lenders.

In addition, if the revolving credit amount required by the Maneto (UK) 3 Limited group to fund operations is higher than the \$30m facility available, the company would seek support from Mannington Mills, Inc. However the current loan agreement restricts the transfer of funds from Mannington Mills, Inc. and so approval for such support would need to be given by the lending group. The directors of Mannington Mills, Inc. maintain a good relationship with the senior lender and would expect to successfully re-negotiate the agreement if the facility limit was close to being exceeded.

# **Amtico Holdings Limited**

## **Directors' report for the period ended 31 December 2012 (continued)**

### **Principal risks and uncertainties (continued)**

#### *Liquidity risk (continued)*

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore the company may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern. Refer also to note 1 of the financial statements.

#### *Funding risk*

The finance facilities which were arranged by the Mannington Mills, Inc group contain a number of financial covenants covering minimum levels of financial performance. Actual performance and short and medium term forecasts (including annual budgets) are reported to the Mannington Mills, Inc Board on a regular basis to allow a balanced assessment of the Mannington Mills, Inc group's ability to continue to meet its commitments to lenders. Refer also to note 1 of the financial statements.

#### *Foreign currency risk*

The company has no direct exposure to foreign currency.

### **Results and dividends**

The company's loss for the financial period is £316,000 (year to 31 March 2012 profit £40,250,000). No dividends were received in the period (year ended 31 March 2012 £46,334,000). The directors do not recommend the payment of a dividend in respect of the period ended 31 December 2012.

### **Directors**

The directors of the company during the period and up to the date of signing the financial statements were

|               |          |
|---------------|----------|
| J Duck        | P Snyder |
| A Elsby-Smith | F Norris |
| R Grizzle     | K Igo    |

### **Directors' indemnities**

The company maintains liability insurance for its directors and officers through the Mannington Mills, Inc group. The company has also provided an indemnity for its directors and the secretary through Mannington Mills, Inc group throughout the financial period, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

# **Amtico Holdings Limited**

## **Directors' report for the period ended 31 December 2012 (continued)**

### **Directors' responsibilities statement**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

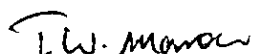
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

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

By order of the board



TW Morrow  
**Company secretary**  
19 September 2013  
Registered number 3124209

## **Independent auditors' report to the members of Amtico Holdings Limited**

We have audited the financial statements of Amtico Holdings Limited for the period ended 31 December 2012 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

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

As explained more fully in the 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's web-site at [www.frc.org.uk/auditscopeukprivate](http://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 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £316,000 during the period ended 31 December 2012. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Amtico Holdings Limited (continued)**

### **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



**Darren Turner (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GH

19.09.13

# Amtico Holdings Limited

## Profit and loss account for the period ended 31 December 2012

|   |      | 9 month<br>period to<br>31 December<br>2012 | Year to<br>31 March<br>2012 |
|---|------|---|-----------------------------|
|   | Note | £'000                                       | £'000                       |
| Administrative (expenses)/income                                  |      | (31)  | 320                         |
| Net operating (expenses)/income                                   |      | (31)  | 320                         |
| Operating (loss)/profit before other operating income             |      | (31)  | 320                         |
| Other operating income  | 2    | 338   | 438                         |
| <b>Operating profit</b>   | 3    | <b>307</b>                                  | <b>758</b>                  |
| Income from shares in group undertakings                          |      | -   | 46,334                      |
| Loss on sale of subsidiary  |      | -   | (4,737)                     |
| <b>Profit on ordinary activities before interest and taxation</b> |      | <b>307</b>                                  | <b>42,355</b>               |
| Interest receivable and similar income                            | 5    | -   | 2,929                       |
| Interest payable and similar charges                              | 6    | (715)                                       | (4,746)                     |
| <b>(Loss)/profit on ordinary activities before taxation</b>       |      | <b>(408)</b>                                | <b>40,538</b>               |
| Tax on (loss)/profit on ordinary activities                       | 9    | 92  | (288)                       |
| <b>(Loss)/profit for the financial period/year</b>                | 15   | <b>(316)</b>                                | <b>40,250</b>               |

The results shown above have been derived wholly from continuing operations

The company has no recognised gains or losses other than the (loss)/profit stated above and therefore no separate statement of total recognised gains and losses has been provided

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial periods stated above and their historical cost equivalents

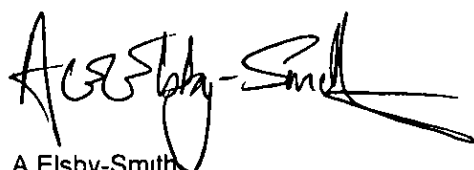


# Amtico Holdings Limited

## Balance sheet as at 31 December 2012

|   |      | 31 December<br>2012 | 31 March<br>2012 |
|---|------|---------------------|------------------|
|   | Note | £'000               | £'000            |
| <b>Fixed assets</b>                                   |      |                     |                  |
| Tangible assets                                       | 10   | 1,892               | 1,918            |
| Investments   | 11   | 39,091              | 39,091           |
|   |      | <b>40,983</b>       | <b>41,009</b>    |
| <b>Current assets</b>                                 |      |                     |                  |
| Debtors   | 12   | 322                 | 228              |
|   |      | <b>322</b>          | <b>228</b>       |
| <b>Creditors, amounts falling due within one year</b> | 13   | <b>(29,075)</b>     | <b>(28,691)</b>  |
| <b>Net current liabilities</b>                        |      | <b>(28,753)</b>     | <b>(28,463)</b>  |
| <b>Total assets less current liabilities</b>          |      | <b>12,230</b>       | <b>12,546</b>    |
| <b>Capital and reserves</b>                           |      |                     |                  |
| Called up share capital                               | 14   | 304                 | 304              |
| Share premium account                                 | 15   | 2,334               | 2,334            |
| Other reserve   | 15   | 13,905              | 13,905           |
| Profit and loss account                               | 15   | (4,313)             | (3,997)          |
| <b>Total shareholders' funds</b>                      | 16   | <b>12,230</b>       | <b>12,546</b>    |

The financial statements on pages 6 to 16 were approved by the board of directors on 19 September 2013 and were signed on its behalf by



A Elsby-Smith  
Director

Registered number 3124209

# **Amtico Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2012**

### **1 Principal accounting policies**

#### **Basis of preparation**

These financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

The Mannington Mills, Inc. group (including the company) is subject to a number of covenants over its borrowing facilities and certain restrictions on the transfer of funds between companies within the group as discussed in the Directors' report on pages 1 and 2. Despite a challenging economic environment, current trading performance during 2013 remains satisfactory with compliance on all covenants achieved. However, the directors have reviewed the forecasts for the next 18 months and consider that whilst the facilities are sufficient in terms of amounts which can be borrowed, covenant headroom is insufficient to be certain that a covenant breach would not occur during that period.

Based on constant dialogue and the maintenance of good relationships with the senior and second lien lenders, the directors have a reasonable expectation that, should a covenant breach be foreseen within short term forecasts, a waiver of that covenant could be negotiated with those lenders.

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to continue realising its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

#### **Exemption from consolidation**

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements because it is included in the consolidated financial statements of Maneto (UK) 3 Limited, the intermediate parent company.

#### **Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Maneto (UK) 3 Limited and is included in the consolidated financial statements of Maneto (UK) 3 Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Maneto (UK) 3 Limited group or investees of the Maneto (UK) 3 Limited group.

#### **Investments**

Investments are carried at cost less any provision for impairment.

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 1 Principal accounting policies (continued)

#### Tangible fixed assets and depreciation

Tangible fixed assets are shown at historic purchase cost less accumulated depreciation, calculated from the date the asset is brought into use. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Freehold buildings      2.5%

Freehold land is not depreciated.

#### Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account except where the item is part of a hedge transaction.

#### Taxation

##### Current tax

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

#### Operating leases

Rental income under operating leases is credited to the profit and loss account on a straight-line basis.

### 2 Other operating income

Rental income is charged for the use of the buildings. Rental income of £338,000 was charged during the period (year ended 31 March 2012: £438,000) to The Amtico Company Limited.

### 3 Operating profit

Operating profit is stated after charging/(crediting)

|                                       | 9 month<br>period to<br>31 December<br>2012 | Year to<br>31 March<br>2012 |
|---------------------------------------|---|-----------------------------|
|                                       | £'000                                       | £'000                       |
| Depreciation on tangible fixed assets | 26  | 35                          |
| Exchange gains                        | -   | (382)                       |

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 4 Auditors' remuneration

Auditors' remuneration for audit services of £3,500 (year ended 31 March 2012 £10,000) is borne entirely by a fellow group undertaking

### 5 Interest receivable and similar income

|                                 | 9 month<br>period to<br>31 December<br>2012 | Year to<br>31 March<br>2012 |
|---------------------------------|---|-----------------------------|
|                                 | £'000                                       | £'000                       |
| Interest on inter-company loans | -   | 2,929                       |

### 6 Interest payable and similar charges

|                                 | 9 month<br>period to<br>31 December<br>2012 | Year to<br>31 March<br>2012 |
|---------------------------------|---|-----------------------------|
|                                 | £'000                                       | £'000                       |
| Interest on inter-company loans | 715   | 4,746                       |

### 7 Directors' emoluments

No remuneration has been paid to any of the directors for services rendered to the company (year to 31 March 2012 £nil)

### 8 Employee information

No remuneration has been paid to any of the directors for services rendered to the company (year to 31 March 2012 £nil). All directors are also directors of other companies within the Amtico Holdings Limited group and Mannington Mills, Inc group. Two directors received emoluments from The Amtico Company Limited (year to 31 March 2012 two) and four directors received emoluments from Mannington Mills, Inc (5 March 2012 to 31 March 2012 four). These emoluments have not been recharged to the company.

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 9 Tax on (loss)/profit on ordinary activities

#### (a) Analysis of the tax (credit)/charge in the period/year

|   | 9 month<br>period to<br>31 December<br>2012<br>£'000 | Year to<br>31 March<br>2012<br>£'000 |
|---|--|--------------------------------------|
| Current tax   |  |                                      |
| UK Corporation tax on (loss)/profit for the period/year | (92)   | -                                    |
| Adjustment in respect of previous year                  | -  | 288                                  |
| <b>Tax on (loss)/profit on ordinary activities</b>      | <b>(92)</b>  | <b>288</b>                           |

#### (b) Factors affecting the tax (credit)/charge for the period/year

The tax assessed for the period is higher (year to 31 March 2012 lower) than the standard rate of corporation tax in the UK of 24% (year to 31 March 2012 26%). The differences are explained below

|  | 9 month<br>period to<br>31 December<br>2012<br>£'000 | Year to<br>31 March<br>2012<br>£'000 |
|--|--|--------------------------------------|
| <b>(Loss)/profit on ordinary activities before tax</b>   | <b>(408)</b>   | <b>40,538</b>                        |
| (Loss)/profit on ordinary activities multiplied by the standard rate in the UK 24% (year to 31 March 2012 26%) | (98)   | 10,540                               |
| Effects of   |  |                                      |
| Expenses not deductible for tax purposes   | 6  | (10,828)                             |
| Adjustment in respect of prior years   | -  | 288                                  |
| <b>Current tax (credit)/charge for the period/year (note 9 (a))</b>  | <b>(92)</b>  | <b>288</b>                           |

#### Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2011) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

There is no deferred tax either recognised or unrecognised in these financial statements.

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 10 Tangible assets

|                                 | Freehold<br>land and<br>buildings |
|---------------------------------|-----------------------------------|
|                                 | £'000                             |
| <b>Cost</b>                     |                                   |
| At 1 April 2012                 | 2,485                             |
| <b>At 31 December 2012</b>      | <b>2,485</b>                      |
| <b>Accumulated depreciation</b> |                                   |
| At 1 April 2012                 | 567                               |
| Charge for the period           | 26                                |
| <b>At 31 December 2012</b>      | <b>593</b>                        |
| <b>Net book value</b>           |                                   |
| <b>At 31 December 2012</b>      | <b>1,892</b>                      |
| At 31 March 2012                | 1,918                             |

£1,363,000 of the cost is freehold land. In the opinion of the directors, there is no material difference between the market value and the balance sheet value of the land.

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 11 Investments

|  | £'000         |
|--|---------------|
| Investment in subsidiary undertakings                          |               |
| <b>Cost and net book value at 1 April and 31 December 2012</b> | <b>39,091</b> |

At 31 December 2012, the company had an interest in the following subsidiary undertakings

| Name of undertaking                        | Parent company               | Country of incorporation | Description of shares held | % of nominal value of issued shares held and voting rights |
|--|------------------------------|--------------------------|----------------------------|--|
| The Amtico Company Limited*                | Amtico Holdings Limited      | Great Britain            | £1 ordinary                | 100  |
| Amtico International Pty*                  | Amtico Holdings Limited      | Australia                | AUS \$1 ordinary           | 100  |
| Amtico International Limited*              | Amtico Holdings Limited      | Great Britain            | £1 ordinary                | 100  |
| Amtico International GmbH                  | Amtico International Limited | Germany                  | 1 Euro                     | 100  |
| Amtico International SAS                   | Amtico International Limited | France                   | 1 Euro ordinary            | 100  |
| Amtico International AB                    | Amtico International Limited | Sweden                   | 10 SEK ordinary            | 100  |
| The Amtico Company Pension Trustee Limited | The Amtico Company Limited   | Great Britain            | £1 ordinary                | 100  |

\*Indicates investments held directly by the company

The principal business activities of these subsidiary undertakings is the manufacture and sale of laminated flooring tiles, with the exception of Amtico International Limited whose principal activity is as an intermediate holding company for the Maneto (UK) 3 Limited group. The Amtico Company Pension Trustee Ltd is trustee of The Amtico Company Limited Pension Scheme. The directors believe that the carrying value of the investments is supported by their underlying net assets.

# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 12 Debtors

|  | 31 December<br>2012 | 31 March<br>2012 |
|--|---------------------|------------------|
|  | £'000               | £'000            |
| <b>Amounts falling due within one year</b> |                     |                  |
| Amounts receivable for group relief        | 92                  | -                |
| Other debtors                              | 224                 | 224              |
| Prepayments                                | 6                   | 4                |
|  | <b>322</b>          | <b>228</b>       |

Other debtors relates to an amount owed by the Employee benefit trust (see note 18)

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

|                                    | 31 December<br>2012 | 31 March<br>2012 |
|------------------------------------|---------------------|------------------|
|                                    | £'000               | £'000            |
| Amounts owed to group undertakings | 29,075              | 28,674           |
| Accruals and deferred income       | -                   | 17               |
|                                    | <b>29,075</b>       | <b>28,691</b>    |

Amounts due to group undertakings are unsecured and repayable on demand. Interest is charged at a rate based on the group's revolving bank debt.



# Amtico Holdings Limited

## Notes to the financial statements for the period ended 31 December 2012 (continued)

### 14 Called up share capital

|                                       | 31 December<br>2012 | 31 March<br>2012 |
|---------------------------------------|---------------------|------------------|
|                                       | £'000               | £'000            |
| Allotted and fully paid               |                     |                  |
| 3,038,894 ordinary shares of 10p each | 304                 | 304              |

### 15 Reserves

|                               | Share<br>premium<br>account | Other<br>reserve | Profit<br>and loss<br>account | Total  |
|-------------------------------|-----------------------------|------------------|-------------------------------|--------|
|                               | £'000                       | £'000            | £'000                         | £'000  |
| At 1 April 2012               | 2,334                       | 13,905           | (3,997)                       | 12,242 |
| Loss for the financial period | -                           | -                | (316)                         | (316)  |
| At 31 December 2012           | 2,334                       | 13,905           | (4,313)                       | 11,926 |

### 16 Reconciliation of movement in shareholders' funds

|   | 9 month<br>period to<br>31 December<br>2012 | Year to<br>31 March<br>2012 |
|---|---|-----------------------------|
|   | £'000                                       | £'000                       |
| (Loss)/profit for the financial period/year | (316)                                       | 40,250                      |
| Dividends paid                              | -   | (47,463)                    |
| Capital contribution                        | -   | 13,905                      |
| Net addition to shareholders' funds         | (316)                                       | 6,692                       |
| Closing shareholders' funds                 | 12,230                                      | 12,546                      |

### 17 Contingent liability

The assets of the company have been pledged as security in favour of the lenders under the group loan facility of its ultimate parent company. Net indebtedness under this arrangement at 31 December 2012 was £2,122,000 (31 March 2012 £2,076,000). There are no other contingent liabilities.

# **Amtico Holdings Limited**

## **Notes to the financial statements for the period ended 31 December 2012 (continued)**

### **18 Other related-party transactions**

#### **Employee Benefit Trust (EBT)**

The EBT holds assets, shares and loan notes, which under the terms of the Deed of Trust, may be applied at the Trustee's discretion only for the benefit of employees of the Amtico Holdings Limited group. The shares and loan notes were acquired by the trust using funds provided by Amtico Holdings Limited (note 12).

The EBT holds shares of £69,998 in Amtico Group Holdings Limited, the company's ultimate parent company until sale on 5 March 2012, and loan notes of £165,002 in Amtico Bond Limited, the company's intermediate holding company until 5 March 2012. During the year ended 31 March 2012 a repayment of £11,064 was made from cash reserves to reduce the loan. The remaining loan of £223,936 will be repaid from funds due to the EBT from the sale of Amtico Holdings Limited to Mannington Mills, Inc.

The costs of funding and administering the scheme are charged to the profit and loss account of the company in the period to which they relate.

### **19 Ultimate parent undertaking and controlling party**

The company's immediate parent company is Maneto (UK) 2 Limited which owns 100% of the issued share capital of the company. The intermediate parent company is Maneto (UK) 3 Limited which is the only UK group to consolidate these financial statements for the period 5 March to 31 December 2012.

The ultimate parent undertaking is Mannington Mills, Inc, a privately owned company registered in the USA. Mr Keith Campbell is regarded as the ultimate controlling party of the Company.

Copies of the Maneto (UK) 3 Limited financial statements may be obtained by writing to

TW Morrow  
Company Secretary  
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