



## Verification report – UK Producer

### Case TD0027 – Ceramic Tiles from the People’s Republic of China

<b>Period of Investigation (POI):</b>	1 July 2021 to 30 June 2022
<b>Injury Period (IP):</b>	1 July 2018 to 30 June 2022
<b>Date of report:</b>	16 October 2023
<b>Case team contact details:</b>	TD0027@traderemedies.gov.uk
<b>Company verified:</b>	Norcros Group (Holdings) Limited

For further details, please see the [Notice of Initiation](#) on the public file.



## Contents

<b>Executive Summary</b> .....	<b>3</b>
<b>Purpose of verification</b> .....	<b>5</b>
<b>Confidential information</b> .....	<b>6</b>
<b>Verification</b> .....	<b>7</b>
A. Company structure and associations .....	7
B. Goods.....	9
C. Costs.....	11
D. Sales.....	12
E. Injury .....	16
F. Economic Interest Test.....	18
<b>Conclusions</b> .....	<b>21</b>
<b>Annexes</b> .....	<b>22</b>
Annex 1: Meetings.....	22



## Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke anti-dumping measures on ceramic tiles from the People's Republic of China (PRC), pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the Regulations') - Statutory Instrument 450/2019.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information that the producer provided in its questionnaire response. This covered its company structure and operations, imports, sales, injury, and the economic impact of varying or revoking the measure.

Norcros Group (Holdings) Limited (Johnson Tiles) is the largest domestic producer of like goods in the UK. Additionally, it conducts factored sales of product which it imports, wholesales and retails, and further factored sales of product which it imports, adds value to, and either wholesales or retails.

Johnson Tiles was prepared to share the full data requested by the TRA in this transition review. However, it was unable to do so in a timeframe that would not significantly impact on the delivery of this review within timeline. The TRA therefore agreed to accept a subset of data from Johnson Tiles.

The methodology employed by Johnson Tiles in the preparation of the dataset resulted in the provision of a dataset that represents all Johnson Tiles' UK sales of product under commodity code 6907230000 only as agreed by the TRA.

Where reference is made to 'like goods', 'product control numbers' and 'internal coding systems' these represent only product within commodity code 6907230000, only relate to domestic sales in the UK, and includes domestically produced product and like goods from third countries sold by Johnson Tiles in the UK. The verification detailed in this report is therefore not fully representative of this company's total trade in the like goods or goods subject to review, but reflects the totality of goods contained within the subset of data that the company has been able to share with the TRA within the available timescale only.

Assurance provided on the completeness, relevance and accuracy of information in this report is limited to the subset of data received from Johnson Tiles.

Johnson Tiles provided a satisfactory confidential questionnaire to the TRA, including questionnaire narrative, annex and a range of relevant appendices in relation to the subset of data agreed. During the verification process, Johnson Tiles indicated that it was reticent to provide a non-confidential submission, as it assessed that it was not possible to summarise its submission in a non-confidential format.



Johnson Tiles provided a Statement of Reasons. This Statement of Reasons was published to the public file on 22 August 2023.

We verified Johnson Tiles as an operational division of Norcros Group (Holdings) Limited. During verification, the TRA compared information provided by Johnson Tiles to audited financial statements for Norcros Group (Holdings) Limited, as well as to Johnson Tiles' public website and various external sources, such as Companies House and HM Revenue and Customs (HMRC). A reconciliation was performed between the audited financial statements and the financial data provided in the questionnaire annex, in order to verify the consistency of the information provided.

The TRA does not have any concerns to report in respect of the information received from Johnson Tiles for the purpose of our verification. We were able to verify the information provided by Johnson Tiles in its questionnaire response, its annex data, and in response to our enquiries throughout the verification process. Where discrepancies were identified, Johnson Tiles were able to provide us with updated or supporting evidence to our satisfaction.

Based on the verification activity that we have undertaken, we have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by Johnson Tiles and we can use it for the purpose of this transition review.



## Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by the interested party is verifiable and can be used for the purposes of this investigation. We have drawn a reasonable level of assurance on the completeness, accuracy and relevance of information deemed verifiable. Such data may now be considered in our assessments and analysis to determine whether injury is likely to be caused to the UK industry by dumped imports of the goods subject to review. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

The activities undertaken have not sought to verify all of the information provided to the TRA by the verified party, but to undertake the work considered appropriate and possible within the time constraints of the investigation to obtain satisfactory assurance on which to base our analysis.

This verification report documents the work we have completed, the checks we have carried out, and conclusions we have reached about the reliability of information provided by the verified party.



## Confidential information

The verified party must provide a non-confidential version of the verification report marked as “non-confidential” in its header.

If any information contained in the confidential verification report is considered confidential, the party should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



## Verification

Please find below a summary of work that has been completed and the checks that have been carried out to determine whether the information provided by the interested party in its questionnaire response is verifiable.

### A. Company structure and associations

#### What information was considered

From the questionnaire, we considered the:

- general set-up, including the ownership and management of the company;
- company details;
- associations;
- accounting practices and policies; and
- accounting system walkthrough.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### How the information was checked

##### **General set-up, ownership, locations, and management**

We cross-checked information provided for Johnson Tiles' general set-up, ownership, year of establishment, location, memberships or accreditations, and number of employees by examining publicly available documents for both the division and Norcros Group (Holdings) Limited.

We found the information from those sources to be consistent with the information provided by the company in its questionnaire response. The only exception was year of establishment, with records for the current legal entity only extending back to 1935. This said, we have supporting documentary evidence that H. & R. Johnson Limited was likely founded in 1901 and was operational before the current legal entity was formed in 1935.

##### **Associations**

We reviewed the company's associations by checking audited financial statements published by Companies House, reviewing whether any of the current or recent directors of Johnson Tiles or Norcros Group (Holdings) Limited were associated with other companies related to the tile industry. There were no issues noted from the testing undertaken.

##### **Accounting practices and policies**

The financial statements for Norcros Group (Holdings) Limited are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United



Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Detailed accounting policies for the group are included on page 16 of the audited financial statements for the year ending 31 March 2022. We were able to verify Norcros Group (Holdings) Limited's basis for account preparation, its financial year convention, its methodology for valuing stock, and its method for revenue recognition. There were no discrepancies between those results and Johnson Tiles' questionnaire response.

**Accounting system walkthrough**

On 28 June 2023, we conducted a walkthrough of the accounting system (CODA Financials) examining how costs and sales were tracked into Norcros Group (Holdings) Limited's accounting system. We were able to gain an understanding of its accounting processes as well as determine whether we could rely on the information provided for sales and costs from the accounting system. During this process, we identified what tasks were manual, where there were segregated duties, and what checks and approvals were needed before transactions were posted to the accounts.

During the walkthrough, we were provided with screenshots and the relevant supporting evidence of Johnson Tiles' sales and purchase process. We requested and received demonstrations of the system controls, as well as the reports that were used to extract the data entered into the questionnaire response. Based on these, we have a reasonable level of assurance on the reliability of the systems in place from which the information we have been given was sourced.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Exceptions/Findings/Adjustments**

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Conclusions**

The information relating to company structure and associations that we have been provided by Johnson Tiles is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

B. Goods

What information was considered

From the questionnaire, we examined the:

- Product Control Number (PCN) allocations and Internal Coding System (ICS) numbers;
- goods description and comparability to the like goods made and sold in the UK; and,
- other information provided during verification.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

How the information was checked

**PCN allocations and internal coding system**

Johnson Tiles have an Internal Coding System (ICS) which assigns a number to products based partially on their physical characteristics. The methodology used to assign these products to the TRA’s Product Control Numbers (PCN) was found to be reasonable but it had to be implemented manually, making the process vulnerable to human error.

The PCNs Johnson Tiles assigned to products were compared to website data and invoice details to check for accuracy and consistency. This process raised several discrepancies that were identified as human error. These discrepancies were resolved to our satisfaction and we considered them to be immaterial to the review.

The dataset verified in this verification process is only reflective of part of the trade in like goods or goods subject to review by Johnson Tiles. Whilst representing the majority of Johnson Tiles’ overall sales and domestic manufacture output, it did not include any like goods or goods subject to review conforming to commodity codes 6907210000, 6907220000, 6907300000 or 6907400000, which collectively represented a significant minority share of the company’s sales for the POI and IP. However, the TRA is satisfied that the dataset provided by Johnson Tiles represents the majority of the company’s trade during the POI and IP and have been allocated correctly on the whole and assess that all represent like goods within the scope of this transition review.



**Website**

We verified that products described in Johnson Tiles’ website had been sold during the POI and compared them to the PCN structure. We are satisfied that Johnson Tiles produced and imported like goods.

**Goods description and comparability to the goods subject to review**

The sales data provided referred to goods that Johnson Tiles sold in the UK that conformed to commodity code 6907230000. As this was the founding parameter of the dataset, all goods within it were like goods.

**Verification of supplier information**

We cross-checked all worksheets in the questionnaire annex to ensure consistency between PCNs and product descriptions. We found no product codes or PCNs in the annex that were not described in the questionnaire. Figures allocated to each PCN in the annex could be reconciled to the same allocation as reported in all other relevant areas of the questionnaire and matched the description of the like goods.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Exceptions/Findings/Adjustments**

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Conclusions**

The information relating to the goods that we have been provided by Johnson Tiles is verifiable.

Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



### C. Costs

#### What information was considered

From the questionnaire submission, we examined the:

- audited financial statements for Norcros Group (Holdings) Limited;
- questionnaire annex (Cost to Make and Sell and Cost Reconciliation)
- group consolidation breakdown;
- trial balance for Johnson Tiles.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### How the information was checked

We performed upwards verification to confirm the completeness of the cost to make and sell. Johnson Tiles is an operational division, so a group consolidation breakdown by division was provided by its Director of Finance to allow us to reconcile its information upwards to the audited statements for Norcros Group (Holdings) Limited. Thereafter, we were able to use the divisional trial balance to agree the cost to make and sell for the accounting period to the group accounts.

Johnson Tiles' financial year runs from 1 April to 31 March which does not align with the POI for this transition review. The trial balance allowed us to reconcile these time periods and compare Johnson Tiles' questionnaire responses to Norcros Group (Holdings) Limited's audited financial statements.

We reviewed Johnson Tiles' accounting system during a walkthrough to fully understand how costs are allocated to like goods using the trial balance and the group consolidation report. This was in order to confirm the reliability of its cost data. We have gained a reasonable level of assurance over the completeness of the cost data provided.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### Exceptions/Findings/Adjustments

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### Conclusions



The information relating to costs that was provided by Johnson Tiles is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

## D. Sales

### What information was considered

From the questionnaire, we examined the:

- audited financial statements for Norcros Group (Holdings) Limited;
- group consolidation breakdown;
- trial balance;
- agreement with a sample of sales transactions to supporting evidence including:
  - sales invoices;
  - purchase order received from customers;
  - order acknowledgment raised by Johnson Tiles;
  - proof of delivery;
  - rebate agreements;
  - remittance advice received from customers; and,
  - bank statements.

We also checked whether the revenue recognised during the period was consistent with the revenue recognition policy.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### How the information was checked



### **Upwards verification**

We performed upwards verification to confirm the completeness and relevance of the sales data by reconciling the total sales for all goods and like goods provided by Johnson Tiles in its questionnaire response annex to the audited financial statements for Norcros Group (Holdings) Limited.

As above, we were able to use the group consolidation breakdown and trial balance to reconcile Johnson Tiles' data for the POI with audited financial statements for Norcros Group (Holdings) Limited which are aligned to April-March financial years.

From the reconciliation it was noted that the figures provided in the Sales reconciliation were gross, as such the figures were revised with an updated questionnaire annex provided by Johnson Tiles to include the net sales balances.

We asked Johnson Tiles to explain and demonstrate the method used to identify the sales revenue for the like goods, as reported in the questionnaire response. This data had been retrieved using reports generated in Johnson Tiles' accounting system with data such as the weight of the goods pulled through from other systems such as the 'American Software' system.

During the verification visit, we gained understanding of the extraction process for such reports and how the sales data were filtered to identify the like goods and to distinguish between domestic and export sales.

We were able to reconcile the sales figures on the questionnaire response to the audited financial statements which provided us with a reasonable level of assurance that the information can be treated as complete and relevant.

### **Sales analysis**

We examined the data for outliers by performing an analytical review of monthly sales volume and monthly prices for each PCN sold domestically, trade by customer, customer type over the POI through total sales value, total sales volume, and average unit prices.

During transaction selection, we ensured that we had adequately covered all customer types, commodity codes and transactions that had been identified as potential anomalies based on volume and value analyses, as well as transactions from the beginning to the end of the POI to determine compliance to Johnson Tiles' revenue recognition policy.

### **Downwards verification**

Having made our selection, we compared the volume, value and other key information provided within the questionnaire annex to source documents to verify the accuracy of the data. These source documents included:

- sales invoices;
- purchase orders received from customers;
- order acknowledgments raised by Johnson Tiles;
- proof of delivery;



- rebate agreements;
- remittance advice received from the customer, and;
- bank statements

We also checked whether the revenue recognised during the period was consistent with the revenue recognition policy.

We compared the source documents for the sample of transactions selected and found them to be consistent. Where there did appear to be discrepancies, we queried these with Johnson Tiles. The items raised included the weights of the goods, freight costs reported, rebate figures reported, payment terms and sales both inside and outside of the POI. Our work relating to these potential issues is detailed below.

The payment terms could not be agreed as they were not included in the invoices. However, discussion with the credit controller confirmed that the payment terms for large customers are negotiated and are present as part of various sales contracts.

We attempted to verify the net invoice value, the freight costs described in the questionnaire response annex, and the freight revenue described on the invoices provided by Johnson Tiles. After reviewing the sales invoices, we identified that the freight revenue charged to Johnson Tiles customers did not necessarily reflect the freight costs incurred by Johnson Tiles when shipping goods. Johnson Tiles informed us that the freight revenue charged to customers was considered part of its pricing negotiations and the associated cost was pro-rated in the questionnaire annex based on the sales of the product. We reviewed the actual freight costs paid to haulage companies from the trial balance and agreed the allocation of the freight costs to the working papers provided. We compared the freight costs as per the trial balance for the whole of Johnson Tiles, with a portion of the freight costs allocated to the like goods in the questionnaire and found them to be proportionate. There were no issues noted from the testing undertaken.

Due to Johnson Tiles' accounting periods being based on 52 calendar weeks rather than 12 calendar months, a mismatch existed between the sales data provided in the questionnaire annex and the POI. Due to this the sales transactions for the period 01 July 2021 to 04 July 2021 were not included in the transaction listing provided. In addition, sales outside of the POI for the period 01 July 2022 to 03 July 2022 were included. As a result of testing the cut-off of the sales transactions between these periods, we found that the balance fell below the level of materiality, so no further work was undertaken.

The weight (kg) per square metre of the goods could not be confirmed on the sales order, invoice, or dispatch note. Johnson Tiles' Director of Finance explained that the weights of the goods were manually retrieved from the 'American Software' operational system. A standard weight of 16kg per square metre was applied based on industry knowledge. We were unable to verify the relationship between a good's weight and area, so the reliability of data regarding the weight of goods is limited.



There were a total of [REDACTED] credit notes reported in the transaction-by-transaction listing provided in the questionnaire annex for UK sales of the like goods. Johnson Tiles confirmed that the negative sales of total net invoice value of [REDACTED] are invoices raised incorrectly because of incorrect prices, or that they relate to invoices already in its sales transaction-by-transaction listing. A sample of two credit balances were tested. No issues were found.

**Associated party transactions**

In order to determine independent and associated party prices, we conducted a detailed analysis of the sales transaction-by transaction listing provided in the questionnaire annex. There were no transactions disclosed in the questionnaire annex with associated parties, Johnson Tiles’ Director of Finance confirmed that there were no intercompany sales for the like goods.

We have reasonable assurance that the information regarding associated party transactions received from the interested party are verifiable and consider the relevant sales to be at ‘arm’s length’.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Redactions represent figures that are commercially sensitive and therefore confidential.

**Exceptions/Findings/Adjustments**

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

**Conclusions**

The information relating to sales provided by Johnson Tiles is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information provided in this dataset can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## E. Injury

### What information was considered

From the questionnaire, we examined the:

- domestic and export sales value for the like goods;
- domestic and export sales volumes for the like goods;
- profitability for all goods and like goods;
- production output by volume and value for the like goods;
- market share for the like goods;
- investments and return on investment (ROI) figures;
- total production capacity and capacity utilisation for the like goods;
- cashflow for all goods;
- inventory of the like goods; and,
- employment, median wage, and productivity for the like goods.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### How the information was checked

#### **Domestic and export values for the like goods**

We have been able to gain a reasonable level of assurance over sales for the like goods reported in the questionnaire annex by agreeing the balance provided for the POI to the audited financial statements for Norcros Group (Holdings) Limited via the profit and loss account and the group consolidation breakdown. No variances were identified.

Johnson Tiles based the sales of the like goods on sales as reported in their management accounts. To further breakdown the sales to only include the commodity code reported on, it took a proportion of sales based on the PoI as the product mix did not change significantly during the IP as compared to the PoI. We agreed the workings to the management information and the methodology to apportion the sales and found it to be reasonable. The sales downwards verification activities are described in section 'D. Sales' above. As a result we gained reasonable assurance that the data provided by Johnson Tiles is complete, relevant and accurate.

#### **Profitability for all goods and the like goods**

We have been able to reconcile Johnson Tiles' profitability figures to Norcros Group (Holdings) Limited's audited financial statements for the POI via the profit and loss account and the group consolidation breakdown. For the IP we reconciled the profitability figures to the same management information. Based on this we have a reasonable level of assurance that the profitability data is complete relevant and accurate.



### **Production output by volume and value for the like goods**

We reconciled Johnson Tiles output volume to management reports. In term of value, we have been able to reconcile Johnson Tiles' sales value to Norcros Group (Holdings) Limited's audited financial statements via its management accounts. Based on this we are have a reasonable level of assurance that the output data is complete, relevant and accurate.

### **Market share for the like goods**

Due to the relative size and complexity of the ceramic tile retail industry and the limited engagement from the downstream industry, it has proven impossible to verify the overall size of the UK tile market in order to verify Johnson Tiles' estimate of its market share. As such we are unable to use this information with confidence for the purposes of this transition review.

### **Investments and return on investments (ROI) for all goods**

We have been able to reconcile Johnson Tiles investments and return on investments data to Norcros Group Holdings Limited's audited financial statements via the profit and loss account, the trial balance and the group consolidation breakdown. Based on this we have reasonable level of assurance that the investment and return on investment data is complete, relevant and accurate.

### **Total production capacity and capacity utilisation for the like goods**

We have been able to reconcile Johnson Tiles total production capacity and capacity utilisation figures to management information. Based on this we have a reasonable level of assurance that the capacity utilisation information is accurate.

### **Cash flow for all goods**

We have been able to reconcile Johnson Tiles' cash flow figures to Norcros Group (Holdings) Limited's audited financial statements via the profit and loss statement and the group consolidation breakdown. Based on this we have a reasonable level of assurance that the cash flow data is complete, relevant and accurate.

### **Inventory of the like goods**

We have been able to reconcile Johnson Tiles' inventory figures to Norcros Group (Holdings) Limited's audited financial statements via verified management reports and the group consolidation breakdown. Based on this we have a reasonable level of assurance that the inventory data is complete, relevant and accurate.

### **Employment, median wage, and productivity for the like goods**

We have been able to compare Johnson Tiles employment and productivity figures to Norcros Group (Holdings) Limited's audited financial statements via verified management reports and the group consolidation breakdown. Median wage was calculated and full workings provided and verified. Based on this have a reasonable level of assurance that the employment, median wage and productivity data is accurate.



If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Exceptions/Findings/Adjustments

We have not been able to verify Johnson Tiles' share of the ceramic tile market for the injury period. As such we are unable to use this information with confidence for the purposes of this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

Conclusions

The information relating to injury factors provided by Johnson Tiles is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate except for the market share. Beyond this, we are confident this information can be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

F. Economic Interest Test

What information was considered

Johnson Tiles completed the Economic Interest Test (EIT) section in its questionnaire. Its responses provided comment on the:

- ceramic tile industry;
- geographical locations of sites;
- employment figures by site and breakdown relating to the number of FTE working on the goods subject to review;
- median wage data per site;
- impact on its market share if the measure were removed; and
- impact on the market price of the goods subject to review if the measure were to be removed.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):



#### How the information was checked

##### **UK producers of ceramic tiles**

In the UK, there are only a few producers of ceramic tiles, with Johnson Tiles commonly understood to be the largest. The principal activities of Johnson Tiles are the manufacture and sale of ceramic tiles. Johnson Tiles is an operational division of Norcros Group (Holdings) Limited.

As stated in section A, company structure and associations of this report we checked company details, ownership and locations against publicly available information included the audited financial statements for Norcros Group (Holdings) Limited.

##### **Location of sites**

The TRA was able to verify the details of locations provided by Johnson Tiles against publicly available information including Norcros Group (Holdings) Limited's entry on Companies House.

##### **Structure of supply chain**

Johnson Tiles' supply chain was verified by checking a sample of receipts of its raw materials purchases and sales to downstream buyers, which contained the names of sellers and buyers. A sample of these was cross checked against publicly available information including Companies House entries and were confirmed to be part of the ceramic tile supply chain.

##### **Employment**

Johnson Tiles' employment figures were verified in section 'E. Injury' of this report. As stated we have a reasonable level of assurance that the employment data can be treated as accurate.

##### **Sales and Costs**

We verified Johnson Tiles' sales and costs figures in sections 'C. Costs' and 'D. Sales' of this report. As stated we have a reasonable level of assurance that the Sales and Costs data can be treated as complete, relevant and accurate.

##### **Exports and exports share**

In the downstream verification process, we verified exports value and export share by comparing the POI export figures to Norcros Group Holdings Limited's audited financial statement via the group consolidation breakdown. Based on this we have a reasonable level of assurance that the export and export share figures are complete, relevant and accurate.

##### **Market Share**

We have not been able to verify Johnson Tiles' share of the ceramic tile market for the injury period. As such we are unable to use this information with confidence for the purposes of this transition review.



*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Exceptions/Findings/Adjustments

We have not been able to verify Johnson Tiles’ share of the ceramic tile market for the injury period. As such we are unable to use this information with confidence for the purposes of this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Conclusions

The information relating to economic interest provided by Johnson Tiles is verifiable.

Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate except for market share information.

Beyond this, we are confident this information can be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT assessment, and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## Conclusions

The TRA agreed to accept a subset of data from Johnson Tiles due to time constraints. The data therefore only related to commodity code 69072300 which accounts for the majority of its production.

The verification of Johnson Tiles' accounting system and the methods used to identify the like goods within its system and of the questionnaire responses identified only limited discrepancies. We considered these to be immaterial and did not affect the subset of data received for the purpose of our verification activities.

We were able to reconcile Johnson Tiles' questionnaire response with Norcros Group (Holdings) Limited's published audited financial statements in the upward sales verification. Similarly, we able to trace the details of the transactions examined during the downward sales verification to the source documentation supplied by Johnson Tiles. Where there appeared to be inconsistencies, we found that the clarifications provided by Johnson Tiles during this process were adequate.

Johnson Tiles provided us with the requested source documentation to support the data presented on injury factors. We verified that the figures provided by Johnson Tiles were consistent with the source documents they had been attributed to and with the methods used to calculate them.

In summary, we have obtained sufficient and appropriate evidence in order to conclude that the information provided by the company under the sections above is verifiable.

Based on the work we have done, we have a reasonable level of assurance that, on the whole, the information provided by Johnson Tiles is complete, relevant, and accurate for the purpose of this transition review.



## Annexes

### Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
5 August 2022	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
5 September 2022	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
31 January	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[REDACTED] [REDACTED]	[REDACTED] [REDACTED] [REDACTED]
28 April 2023	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]
28 – 30 June 2023	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[REDACTED]	[REDACTED] [REDACTED] [REDACTED]