

KING DOOR PRODUCTS LIMITED

REPORT & ACCOUNTS

FOR THE YEAR ENDED 31st AUGUST 1996

COMPANY NUMBER: 1860050



KING DOOR PRODUCTS LIMITED

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KING DOOR PRODUCTS LIMITED

COMPANY INFORMATION

Directors	A E Coyne
	J McGorrigan
	D Smith
Secretary	J McGorrigan
Registered Office	Hammond Avenue Whitehill Industrial Estate Reddish Stockport, Cheshire SK4 1PQ
Auditors	Coopers & Lybrand Abacus Court 6 Minshull Street Manchester M1 3ED
Bankers	Bank of Scotland 110 St Vincent Street Glasgow G2 5EJ
Solicitors	Glaisyers Glickman 6th Floor Arkwright House Parsonage Gardens Manchester M3 2LE

KING DOOR PRODUCTS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the company for the year ended 31st August 1996.

ACTIVITIES

The principal activity of the company is that of manufacturers and distributors of domestic garage doors and industrial door accessories.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company produced a loss before taxation of £321,255 for the year ended 31st August 1996 compared with a profit before taxation of £251,346 for the year ended 31st August 1995.

The company has experienced considerable difficulties in poor trading conditions. The company is confident of a return to significant profitability in the coming year following a re-organisation of the company in June.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 6. The directors do not recommend the payment of a dividend. The loss for the year of £245,755 has been taken to reserves.

FIXED ASSETS

Movements in fixed assets are shown in note 6 to the financial statements.

DIRECTORS

The directors of the company at 31st August 1996, all of whom have been directors for the whole of the year ended on that date except where noted below, are listed on page 1. D Smith was appointed as director of the company on 1 November 1995. E K Hammond and A Bury, who were directors of the company on 1 September 1995, resigned on 28 June 1996.

No director had any interest in shares of the company at any time during the period.

The interests of directors in the shares of group companies were as follows:-

		1996	1995
A E Coyne	ordinary shares of 10p in Stratagem Group PLC	7827	2064
J McGorrigan	ordinary shares of 10p in Stratagem Group PLC	2881	-

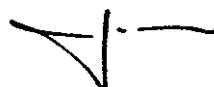
KING DOOR PRODUCTS LIMITED

REPORT OF THE DIRECTORS (continued)

DISABLED PERSONS

Full and fair consideration has been and will be given to employment applications from disabled persons having regard to their particular aptitudes. If any vacancy is available then, where practicable, arrangements will be made to continue the employment of an employee who becomes disabled. Disabled persons will be given fair consideration for training, career development and promotion.

By order of the Board



J. McGorrigan
Secretary

Hammond Avenue
Whitehill Industrial Estate
Reddish
Stockport, Cheshire
SK4 1PQ

1 November 1996

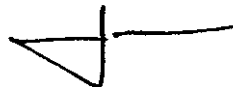
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st August 1996. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, and for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line.

J. McGorrigan
Secretary

Hammond Avenue
Whitehill Industrial Estate
Reddish
Stockport, Cheshire
SK4 1PQ

1 November 1996

KING DOOR PRODUCTS LIMITED

**REPORT OF THE AUDITORS TO THE MEMBERS OF
KING DOOR PRODUCTS LIMITED**

We have audited the financial statements on pages 6 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based upon our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
Manchester

1 November 1996

KING DOOR PRODUCTS LIMITED

**PROFIT & LOSS ACCOUNT
YEAR ENDED 31st AUGUST 1996**

	NOTE	Year Ended 31st August 1996 £	Year Ended 31st August 1995 £
TURNOVER	1	3,010,471	3,820,574
Cost of sales		<u>(2,374,183)</u>	<u>(2,792,464)</u>
GROSS PROFIT		636,288	1,028,110
Administrative expenses		<u>(957,543)</u>	<u>(776,764)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(321,255)	251,346
Tax on (loss) / profit on ordinary activities	5	<u>75,500</u>	<u>(56,000)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(245,755)	195,346
Retained profit brought forward		<u>1,214,109</u>	<u>1,018,763</u>
RETAINED PROFIT CARRIED FORWARD	13	<u><u>968,354</u></u>	<u><u>1,214,109</u></u>

All the operations for the year and the comparative year were continuing.

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

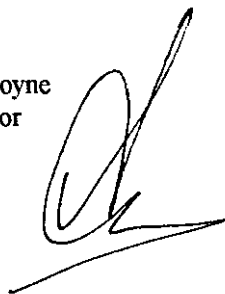
There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

KING DOOR PRODUCTS LIMITED
BALANCE SHEET - 31st AUGUST 1996

	NOTE	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	<u>247,042</u>	<u>276,169</u>
CURRENT ASSETS			
Stocks	7	520,031	591,239
Debtors	8	797,820	799,069
Cash at bank and in hand		<u>102,087</u>	<u>414,010</u>
		1,419,938	1,804,318
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade creditors		(513,087)	(635,931)
Other creditors	9	<u>(171,039)</u>	<u>(214,447)</u>
		(684,126)	(850,378)
NET CURRENT ASSETS		<u>735,812</u>	<u>953,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		982,854	1,230,109
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	10	<u>(9,500)</u>	<u>(11,000)</u>
NET ASSETS		<u>973,354</u>	<u>1,219,109</u>
CAPITAL & RESERVES			
CALLED UP SHARE CAPITAL	12	5,000	5,000
RESERVES			
Profit & loss account	13	<u>968,354</u>	<u>1,214,109</u>
EQUITY SHAREHOLDERS' FUNDS	14	<u>973,354</u>	<u>1,219,109</u>

The financial statements were approved by the Board on 1 November 1996 and signed on its behalf by:

A E Coyne
Director



KING DOOR PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

31st AUGUST 1996

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards in the United Kingdom.

A summary of the more important accounting policies which have been consistently applied is set out below:

a) Turnover

Turnover represents the invoiced value of goods and services sold to third parties excluding value added tax. All turnover arises in the United Kingdom.

b) Depreciation

Depreciation is provided at the following rates per annum:

Fixtures & fittings	20% straight line
Computers	25% straight line
Plant and Machinery	15% straight line

c) Stocks

Stocks, being goods for resale, are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

d) Deferred Taxation

Deferred taxation is calculated using the liability method and provision is made for all material timing differences which are not expected to continue in the foreseeable future.

e) Pensions

The Group offers contributory pension schemes to provide retirement benefits based upon final salaries for all staff and works employees. Pension costs are charged to the profit and loss account so as to spread the cost of providing pensions over the service lives of employees in accordance with the recommendation of an independent actuary. Particulars of the most recent actuarial valuation of the group's schemes are contained in the accounts of Stratagem Group PLC.

f) Cash Flow Statement

The company is a wholly owned subsidiary of Stratagem Group PLC and the cash flows of the company are included in the consolidated group cash flow of Stratagem Group PLC. Consequently the company is exempt under the terms of Financial Reporting Standard no. 1 from publishing a cash flow statement.

KING DOOR PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

31st AUGUST 1996

(continued)

	Year Ended 31st August 1996 £	Year Ended 31st August 1995 £
2. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
(Loss) / Profit on ordinary activities before taxation is stated after charging the following:		
Directors' emoluments (including pension contributions and benefits in kind) (note 3)	88,947	66,887
Compensation to directors for loss of office	24,771	-
Depreciation on tangible owned fixed assets	76,120	62,556
Group Management charges	18,000	21,000
Auditors' remuneration	5,500	5,010
	<u>88,947</u>	<u>66,887</u>
The auditors received £nil (1995 £nil) for other services		
3. DIRECTORS' EMOLUMENTS		
The directors' emoluments, excluding pension contributions, include amounts paid to:		
Chairman	Nil	Nil
Highest paid director	34,164	35,405
	<u>34,164</u>	<u>35,405</u>
The number of directors (including the chairman and highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges were:		
£Nil - £5,000	2	2
£20,001 - £25,000	2	-
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£35,001 - £40,000	-	1
4. EMPLOYEES		
Total payroll costs including Directors were:		
Wages and salaries	633,300	620,260
Social security costs	42,014	44,604
Pension costs	26,652	22,451
	<u>701,966</u>	<u>687,315</u>
Average number of employees was:		
Management, supervisory and office staff	27	27
Sales and manufacturing staff	29	40
	<u>56</u>	<u>67</u>
5. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES		
The tax credit / (charge) comprises:		
United Kingdom corporation tax at 33% (1995 33%)		
Current	-	(77,000)
Deferred	1,500	(7,000)
	<u>1,500</u>	<u>(84,000)</u>
Over provision in respect of prior years:		
Current	74,000	-
Deferred	-	28,000
	<u>74,000</u>	<u>(56,000)</u>
In accordance with Group policy, payment is not made for Group relief	<u>74,000</u>	<u>(56,000)</u>

KING DOOR PRODUCTS LIMITED

NOTES TO THE ACCOUNTS
31st AUGUST 1996
(continued)

	PLANT MACHINERY	FIXTURES, FITTINGS & COMPUTER	TOTAL
	£	£	£
6. TANGIBLE ASSETS			
Cost			
At 1st September 1995	642,431	170,943	813,374
Additions	<u>39,500</u>	<u>7,493</u>	<u>46,993</u>
At 31st August 1996	<u>681,931</u>	<u>178,436</u>	<u>860,367</u>
Depreciation			
At 1st September 1995	441,770	95,435	537,205
Charge for the year	<u>49,269</u>	<u>26,851</u>	<u>76,120</u>
At 31st August 1996	<u>491,039</u>	<u>122,286</u>	<u>613,325</u>
Net book value			
At 31st August 1996	<u>190,892</u>	<u>56,150</u>	<u>247,042</u>
At 31st August 1995	<u>200,661</u>	<u>75,508</u>	<u>276,169</u>
		1996	1995
		£	£
Future capital expenditure			
Contracts placed		<u>18,000</u>	<u>Nil</u>
Expenditure authorised but no contract placed		<u>Nil</u>	<u>Nil</u>
7. STOCKS			
Goods for resale		<u>520,031</u>	<u>591,239</u>
8. DEBTORS			
Amounts falling due within one year			
Trade debtors			
Other debtors		662,334	721,181
Prepayments		2,304	12,117
Corporation tax		51,598	65,771
Amount due from fellow subsidiaries		79,456	-
		<u>2,128</u>	<u>-</u>
		<u>797,820</u>	<u>799,069</u>

KING DOOR PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

31st AUGUST 1996

(continued)

	1996 £	1995 £
9. OTHER CREDITORS		
Amounts falling due within one year		
Corporation tax	-	77,000
Amounts due to fellow subsidiaries	-	47,351
Other taxes and social security	33,919	34,630
Other creditors	11	-
Amount due to parent company	94,227	-
Accruals	<u>42,882</u>	<u>55,466</u>
	<u>171,039</u>	<u>214,447</u>

10. DEFERRED TAXATION

The provision made in the financial statements, together with the amount unprovided of the total potential liability, at a rate of 33%, is set out below and is based on the accounting policy in note 1.

	PROVIDED		NOT PROVIDED	
	1996 £	1995 £	1996 £	1995 £
Accelerated capital allowances	<u>9,500</u>	<u>11,000</u>	<u>-</u>	<u>-</u>
Balance at 1st September	11,000	32,000		
Transfer to profit and loss account	<u>(1,500)</u>	<u>(21,000)</u>		
Balance at 31st August	<u>9,500</u>	<u>11,000</u>		

11. PENSION OBLIGATIONS

The ultimate parent company, Stratagem Group PLC, operates a funded defined benefits pension scheme. The scheme is funded by contributions from employees and employer. Particulars of the most recent actuarial valuation of the group's schemes are contained in the accounts of Stratagem Group PLC. Employer contributions of £26,652 (1995 £22,451) in respect of the scheme, were charged against profits during the year. At year end all contributions had been paid over to the fund administrators.

12. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid 5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

13. RESERVES

	Profit & Loss Account £
Balance at 1st September 1995	1,214,109
(Loss) / Profit for the year	<u>(245,755)</u>
Balance at 31st August 1996	<u>968,354</u>

KING DOOR PRODUCTS LIMITED

NOTES TO THE ACCOUNTS 31st AUGUST 1996 (continued)

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year Ended 31st August 1996	Year Ended 31st August 1995
	£	£
Opening shareholders' funds	1,219,109	1,023,763
(Loss) / profit for the financial year	<u>(245,755)</u>	<u>195,346</u>
Closing shareholders' funds	<u>973,354</u>	<u>1,219,109</u>

15. CONTINGENT LIABILITIES

- a) The company is included in a Value Added Tax group election under s.29 of the Value Added Tax Act 1983. It has therefore guaranteed to pay any tax due by other members of the group. At 31st August 1996 tax owing by the group was £883,331 (1995: £892,074).
- b) The company together with other group undertakings entered into an agreement with the Bank of Scotland on 6 January 1992, whereby balances with the bank are subject to joint and several guarantees. The net group overdraft at 31st August 1996 subject to this agreement amounted to £8,047,037 (1995: £3,362,745). The bank has a floating charge over all the company's assets and a fixed charge over the company's fixed assets.

16. ULTIMATE AND IMMEDIATE PARENT COMPANIES

The immediate parent undertaking is Concord PLC, a company registered in England & Wales. According to the register maintained by the company, Concord PLC has a 100% interest in the share capital of King Door Products Limited at 31 August 1996.

The ultimate parent undertaking is Stratagem Group PLC, a company registered in England and Wales. Copies of the group accounts of Stratagem Group PLC can be obtained from the Registrar of Companies, Companies House, Cardiff, CF4 3UZ.