

**KING DOOR PRODUCTS LIMITED**

**REPORT & ACCOUNTS**

**FOR THE SEVENTEEN MONTHS ENDED 31st AUGUST 1994**

**COMPANY NUMBER: 1860050**



## **KING DOOR PRODUCTS LIMITED**

### **CONTENTS**

	<u>Page</u>
Notice of meeting	1
Company information	2
Report of the directors	3 - 4
Statement of directors responsibilities	5
Report of the auditors	6
Profit & loss account	7
Balance sheet	8
Notes to the accounts	9 - 13
Detailed trading account	14

## KING DOOR PRODUCTS LIMITED

### NOTICE OF MEETING

Notice is hereby given that the annual general meeting of the company will be held at its registered office on 14th November 1994 to:

1. Receive the directors' report and the audited financial statements for the period ended 31st August 1994.
2. Re-appoint the directors.
3. Re-appoint Coopers & Lybrand as auditors.

4. To consider and, if thought fit, to pass the following elective resolution:-

That, in accordance with the provisions of section 252 of the Companies Act 1985, the company hereby dispenses with the laying of accounts and reports before the company in General Meeting in respect of the year ended on 31st August 1995 and subsequent financial years.

5. To consider and, if thought fit, to pass the following elective resolution:-

That, in accordance with the provisions of section 366A of the Companies Act 1985, the company hereby dispenses with the holding of the Annual General Meeting for 1995 and subsequent years.

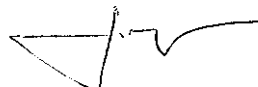
6. To consider and, if thought fit, to pass the following elective resolution:-

That, in accordance with the provisions of section 386 of the Companies Act 1985, the company hereby dispenses with the obligation to appoint auditors annually and that, during the term that such dispensation is in force, the directors be and they are hereby authorised to fix the auditors remuneration.

7. Transact any other business of an annual general meeting.

Any member entitled to attend and vote may appoint another person (whether a member or not) as his proxy to attend and vote instead of him.

By order of the Board



J. McGorrigan  
Secretary

## **KING DOOR PRODUCTS LIMITED**

### **COMPANY INFORMATION**

Directors	A E Coyne E K Hammond J McGorrigan A Bury
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 period ended 31st August 1994.

### 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's operating profit for the seventeen months to 31st August 1994 was £325,554, compared with the year to 31st March 1993 of £55,537.

It has been a difficult year for the company with the factory being enlarged by one third to meet market demand. The building work is now behind the company and the dedicated workforce are looking forward to the coming year with improved facilities and an improving order book, and we are confident of further success in the coming year.

### CHANGES IN PRESENTATION OF THE FINANCIAL STATEMENTS

Following the introduction of Financial Reporting Standard No. 3, 'Reporting Financial Performance', and Financial Reporting Standard No. 4 'Capital Investments', the presentation of the financial statements has been amended to conform with the new requirements.

### RESULTS AND DIVIDENDS

The results for the period are set out in detail on page 7. The directors recommended the payment of a dividend of £184,000 during the year to the parent company. The profit for the period of £135,554 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 1994, all of whom have been directors for the whole of the period ended on that date are listed below:-

A E Coyne  
E K Hammond  
A Bury  
J McGorrigan

D J Holloway, who was a director on 1 April 1993, resigned on 31st December 1993.

Mr E K Hammond retires by rotation and being eligible, offers himself for re-appointment.

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:-

A E Coyne	ordinary shares of 10p in Stratagem Group Plc	1994 1,126	1993 Nil
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## **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.

#### **AUDITORS**

The directors are proposing the re-appointment of Coopers & Lybrand as auditors to the company at the annual general meeting.

By order of the Board



J. McGorrigan  
Secretary

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

24th October 1994

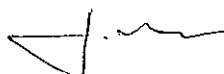
## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period ended 31st August 1994. 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, 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



J. McGorrigan  
Secretary

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

24th October 1994

**KING DOOR PRODUCTS LIMITED**

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

We have audited the financial statements on pages 7 to 13.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 5 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 1994 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

**COOPERS & LYBRAND**  
Chartered Accountants and Registered Auditors  
Manchester

24th October 1994



**KING DOOR PRODUCTS LIMITED**

**PROFIT & LOSS ACCOUNT  
PERIOD ENDED 31st AUGUST 1994**

	NOTE	17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £
<b>TURNOVER</b>		5,429,191	2,914,162
Cost of sales		<u>4,066,971</u>	<u>(2,115,358)</u>
<b>GROSS PROFIT</b>		1,362,220	798,804
Administrative expenses		<u>(1,036,666)</u>	<u>(743,267)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	325,554	55,537
Taxation	5	<u>(6,000)</u>	<u>15,000</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		319,554	70,537
Dividends Paid		<u>(184,000)</u>	<u>-</u>
Retained profits for the period		135,554	70,537
Retained profit brought forward		<u>883,209</u>	<u>812,672</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>	12	<u><u>1,018,763</u></u>	<u><u>883,209</u></u>

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

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

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

**KING DOOR PRODUCTS LIMITED**  
**BALANCE SHEET - 31st AUGUST 1994**

	NOTE	17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>290,738</u>	<u>267,637</u>
<b>CURRENT ASSETS</b>			
Stocks	7	562,530	456,924
Debtors	8	1,124,080	573,025
Cash in hand and at bank		<u>2,040</u>	<u>339,241</u>
		<u>1,688,650</u>	<u>1,369,190</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade creditors		(772,072)	(379,747)
Other creditors	9	<u>(151,553)</u>	<u>(347,771)</u>
		<u>(923,625)</u>	<u>(727,518)</u>
<b>NET CURRENT ASSETS</b>		<u>765,025</u>	<u>641,672</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,055,763	909,309
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	10	<u>(32,000)</u>	<u>(26,000)</u>
		<u>1,023,763</u>	<u>883,309</u>
<b>CAPITAL &amp; RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	11	5,000	100
<b>RESERVES</b>			
Profit & loss account	12	<u>1,018,763</u>	<u>883,209</u>
		<u>1,023,763</u>	<u>883,309</u>

The financial statements were approved by the Board on 24th October 1994 and signed on its behalf by:

A E Coyne  
Director

# KING DOOR PRODUCTS LIMITED

## NOTES TO THE ACCOUNTS

31st AUGUST 1994

### 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, in accordance with applicable Accounting Standards in the United Kingdom. The new accounting standards, FRS 3 and FRS 4, require the adoption of accounting policies which differ from those previously adopted by the company. Accordingly, the following changes in presentation have been made. The changes have had no effect on comparative figures.

- a) Turnover and operating profit are analysed between continuing and discontinued operations.
- b) Shareholders' funds is analysed between equity interests and non-equity interests.

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

a) **Accounting convention**

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

b) **Turnover**

Turnover represents the invoiced value of goods and services sold to third parties excluding value added tax.

c) **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

d) **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.

e) **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.

f) **Pensions**

The company 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.

g) **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 1994

(continued)

17 Months Ended 31st August 1994	12 Months Ended 31st March 1993
£	£

### 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:

Directors' emoluments (note 3)	91,084	56,371
Depreciation	71,716	47,096
Group Management charges	78,123	177,700
Loss on sale of fixed assets	-	152
Auditors' remuneration	5,000	5,000
	<u>          </u>	<u>          </u>

The auditors received £2,000 for other services

### 3. DIRECTORS' EMOLUMENTS

The directors' emoluments, excluding pension contributions, include amounts paid to:

Chairman	Nil	Nil
Highest Paid Director	53,328	29,338
	<u>          </u>	<u>          </u>

The number of directors (excluding the chairman and highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges were:

£Nil - £5,000	2	6
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£35,001 - £40,000	1	-

### 4. EMPLOYEES

Total payroll costs were:

Salaries	808,494	440,257
Social security costs	59,065	30,640
Pension costs	26,642	17,662
	<u>894,201</u>	<u>488,559</u>

Average number of employees was:

Management, supervisory and office staff	31	30
Sales and administration	30	17
	<u>61</u>	<u>47</u>

### 5. TAXATION

The tax charge comprises:

Corporation tax at 25%	-	-
Deferred tax	6,000	15,400
	<u>          </u>	<u>15,400</u>
Adjustment for previous year	-	(400)
	<u>6,000</u>	<u>15,000</u>

**KING DOOR PRODUCTS LIMITED**

**NOTES TO THE ACCOUNTS**  
**31st AUGUST 1994**  
**(continued)**

	<b>PLANT MACHINERY</b>	<b>FIXTURES, FITTINGS &amp; COMPUTER</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>6. TANGIBLE ASSETS</b>			
<b>Cost</b>			
1st April 1993	573,127	97,442	670,569
Additions	<u>49,365</u>	<u>45,453</u>	<u>94,818</u>
31st August 1994	<u>622,492</u>	<u>142,895</u>	<u>765,387</u>
<b>Depreciation</b>			
1st April 1993	344,741	58,191	402,932
Charge for the year	<u>54,447</u>	<u>17,270</u>	<u>71,717</u>
31st August 1994	<u>399,188</u>	<u>75,461</u>	<u>474,649</u>
<b>Net book value</b>			
31st March 1993	<u>228,386</u>	<u>39,251</u>	<u>267,637</u>
31st August 1994	<u>223,304</u>	<u>67,434</u>	<u>290,738</u>
		<b>17 Months Ended 31st August 1994</b>	<b>12 Months Ended 31st March 1993</b>
		<b>£</b>	<b>£</b>
<b>Future capital expenditure</b>			
Contracts placed		<u>Nil</u>	<u>Nil</u>
Expenditure authorised but no contract placed		<u>Nil</u>	<u>Nil</u>
<b>7. STOCKS</b>			
Goods for resale		<u>562,530</u>	<u>456,924</u>
<b>8. DEBTORS</b>			
Trade debtors		1,004,765	554,145
Other debtors		17,401	6,442
Prepayments		30,271	12,438
Advance Corporation Tax		46,000	-
Amount due from parent company		<u>25,643</u>	<u>-</u>
		<u>1,124,080</u>	<u>573,025</u>

# KING DOOR PRODUCTS LIMITED

## NOTES TO THE ACCOUNTS 31st AUGUST 1994 (continued)

17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £
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### 9. OTHER CREDITORS

Bank overdraft	18,799	-
Advance corporation tax	46,000	-
Amounts due to fellow subsidiaries	29,219	1,853
Other taxes and social security	56,856	51,912
Other creditors	679	3,849
Amount due to parent company	-	<u>290,157</u>
	<u>151,553</u>	<u>347,771</u>

### 10. DEFERRED TAXATION

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

	PROVIDED		NOT PROVIDED	
	17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £	17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £
Accelerated capital allowances	<u>32,000</u>	<u>26,000</u>	<u>-</u>	<u>-</u>
Balance at 1st April 1993		26,000		
Transfer to profit and loss account		<u>6,000</u>		
Balance at 31st August 1994		<u>32,000</u>		

### 11. CALLED UP SHARE CAPITAL

Authorised 5000 (1993 : 100) ordinary shares of £1 each	<u>5,000</u>	<u>100</u>
Allotted, called up and fully paid 5000 (1993 : 100) ordinary shares of £1 each	<u>5,000</u>	<u>100</u>
4900 shares of £1 each were issued on 31st August 1994 to Concord Plc at par. The purpose of the issue was to increase the funding of the company for future growth		

### 12. RESERVES

	Profit & Loss Account
Balance at 1st April 1993	883,209
Profit for the period	<u>135,554</u>
Balance at 31st August 1994	<u>1,018,763</u>

## KING DOOR PRODUCTS LIMITED

### NOTES TO THE ACCOUNTS 31st AUGUST 1994 (continued)

#### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	17 Months Ended 31st August 1994 £	12 Months Ended 31st March 1993 £
Opening shareholders funds	883,309	812,772
Issue of share capital	4,900	-
Profit for the period	<u>135,554</u>	<u>70,537</u>
Closing shareholders funds	<u>1,023,763</u>	<u>883,209</u>

#### 14. 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 1994 tax owing by the group was £369,537 (1993: £602,211).
- 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 1994 subject to this agreement amounted to £2,834,379 (1993: £389,368). The bank has a floating charge over all the company's assets and a fixed charge over the companies fixed assets.

#### 15. CLOSE COMPANY STATUS

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

#### 16. ULTIMATE PARENT COMPANY

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

**KING DOOR PRODUCTS LIMITED****TRADING ACCOUNT  
PERIOD ENDED 31st AUGUST 1994**

	<b>17 Months Ended 31st August 1994</b>		<b>12 Months Ended 31st March 1993</b>	
	£	£	£	£
Sales		5,429,191		2,914,162
Purchases	3,126,005		1,510,369	
Stock at 1st April 1993	<u>456,924</u>		<u>523,201</u>	
	3,582,929		2,033,570	
Stock at 31st August 1994	<u>(562,530)</u>		<u>(456,924)</u>	
	3,020,399		1,576,646	
Wages	584,714		287,700	
Heat, light & power	16,094		13,164	
Consumable tools	28,675		15,574	
Carriage	398,839		212,911	
Plant hire and maintenance	<u>18,250</u>	<u>(4,066,971)</u>	<u>9,363</u>	<u>(2,115,358)</u>
<b>GROSS PROFIT</b>		<b>1,362,220</b>		<b>798,804</b>
Deduct:				
Salaries	392,104		222,082	
Rent & rates	165,583		111,414	
Insurance	12,449		5,544	
Staff motor and travel expenses	74,807		37,056	
Marketing	77,423		35,590	
Recruitment & training	1,433		2,328	
Maintenance of property	6,768		5,717	
Postage & telephone	29,324		15,346	
Printing & stationery	11,867		4,688	
Maintenance of office machines	20,936		14,192	
Cleaning & welfare	14,299		8,805	
Agents Commission	36,237		18,155	
Subscriptions & donations	5,902		3,838	
Bank charges & commissions	3,459		1,697	
Legal & professional charges	4,936		2,991	
Auditors remuneration	7,990		5,000	
Depreciation	71,716		47,096	
Bad debts	8,803		19,044	
Product Development	12,507		4,832	
Management charge	78,123		177,700	
Loss of sale of fixed assets	<u>-</u>	<u>(1,036,666)</u>	<u>152</u>	<u>(743,267)</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b>		<b>325,554</b>		<b>55,537</b>