

Advanced Doors Limited

Report and Financial Statements

Year Ended

30 September 2016

Company Number 02744762

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Advanced Doors Limited

Report and financial statements for the year ended 30 September 2016

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Directors

P A Whyatt
N B Oliver
D C Harbord

Registered office

Park Mill Way
Clayton West Industrial Estate
Clayton West
Huddersfield
HD8 9XJ

Company number

02744762

Auditors

RSM UK Audit LLP
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Advanced Doors Limited

Report of the directors for the year ended 30 September 2016

The directors present their report together with the audited financial statements for the year ended 30 September 2016.

Principal activities

The principal activity of the company is the manufacture, installation and repair of industrial door equipment.

The company is a private limited company and is incorporated and domiciled in the UK. The registered number of the company is 02744762.

Results and dividends

The statement of comprehensive income is set out on page 5 and shows the loss for the year.

During the year no dividends (2015 - £Nil) have been paid.

Financial risk management

The Company's operations may expose it to a variety of financial risks. These are disclosed further in note 3 to the financial statements.

Directors

The directors of the company during the year were:

P A Whyatt
N B Oliver
D C Harbord
N M Auton (resigned 9 February 2016)

Advanced Doors Limited

Report of the directors for the year ended 30 September 2016 (continued)

Directors' responsibilities

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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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;
- 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.

Auditors

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

RSM UK Audit LLP were appointed as auditors in August 2016 and have indicated their willingness to continue in office. In accordance with Section 489 of the Companies Act 2006, a resolution to re-appoint RSM UK Audit LLP will be proposed to the Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board



D C Harbord
Director

11/1/17
Date

Advanced Doors Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED DOORS LIMITED

Opinion on financial statements

We have audited the financial statements on pages 5 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Respective responsibilities of directors and auditor

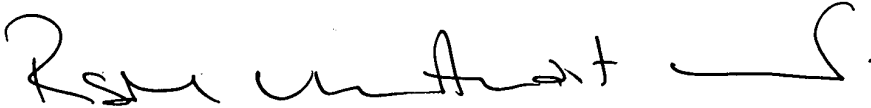
As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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.

Advanced Doors Limited

Independent auditor's report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED DOORS LIMITED (CONTINUED)

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



GEOFF WIGHTWICK (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

Date 10.3.17

Advanced Doors Limited

Statement of total comprehensive income for the year ended 30 September 2016

	Note	2016 £	2015 £
Revenue	5	4,080,628	6,620,453
Cost of sales		(3,064,626)	(4,493,056)
Gross profit		1,016,002	2,127,397
Distribution costs		(69,221)	(208,952)
Administrative expenses		(980,749)	(1,470,697)
Operating (loss)/profit	6	(33,968)	449,748
Finance costs	9	(17,435)	(16,172)
(Loss)/profit before tax		(51,403)	433,576
Tax credit/(expense)	10	15,600	(90,020)
(Loss)/profit for the year		(35,803)	343,556
Total comprehensive income for the year		(35,803)	343,556
(Loss)/profit and total comprehensive income attributable to: Equity holders of the company		(35,803)	343,556

The company has no other items of comprehensive income and as such the statement of comprehensive income for the year agrees to the loss for the year.

The notes on pages 9 to 28 form part of these financial statements.

Advanced Doors Limited

Statement of financial position at 30 September 2016

Company number 02744762	Note	2016 £	2016 £	2015 £	2015 £
Assets					
Non-current assets					
Property, plant and equipment	11		250,979		356,531
Intangible assets	12		9,073		9,073
Total non-current assets			260,052		365,604
Current assets					
Inventories	13	203,067		354,687	
Trade and other receivables	14	1,520,828		1,613,624	
Corporation tax receivable		33,180		-	
Cash and cash equivalents	15	35,165		179,289	
Total current assets			1,792,240		2,147,600
Total assets			2,052,292		2,513,204
Equity attributable to equity holders					
Share capital	16	100,000		100,000	
Retained earnings		849,729		885,532	
Total equity			949,729		985,532
Liabilities					
Non-current liabilities					
Borrowings	17	64,251		110,105	
Deferred tax liability	19	29,594		23,495	
Total non-current liabilities			93,845		133,600
Current liabilities					
Borrowings	17	331,174		153,274	
Trade and other payables	18	677,544		1,139,585	
Corporation tax liability		-		101,213	
Total current liabilities			1,008,718		1,394,072
Total liabilities			1,102,563		1,527,672
Total equity and liabilities			2,052,292		2,513,204

The financial statements were approved and authorised for issue by the Board of Directors on 11/1/17 and were signed on its behalf by:



D C Harbord
Director

The notes on pages 9 to 28 form part of these financial statements.

Advanced Doors Limited

Statement of cash flows for the year ended 30 September 2016

	Note	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Cash generated from operations	21	(125,062)		802,697	
Interest paid		(17,435)		(16,172)	
Income tax paid		(101,213)		(37,974)	
Net cash generated from operating activities			(243,710)		748,551
Cash flows from investing activities					
Purchase of property, plant and equipment		(37,460)		(194,388)	
Sale of property, plant and equipment		5,000		28,200	
Purchase of intangible assets		-		(9,073)	
Net cash used in investing activities			(32,460)		(175,261)
Cash flows from financing activities					
Proceeds from borrowings		224,548		50,953	
Repayments of borrowings		(92,502)		(826,151)	
Net cash generated from financing activities			132,046		(775,198)
Net decrease in cash and cash equivalents			(144,124)		(201,908)
Cash and cash equivalents at the beginning of the year			179,289		381,197
Cash and cash equivalents at the end of the year			35,165		179,289

The notes on pages 9 to 28 form part of these financial statements.

Advanced Doors Limited

Statement of changes in equity for the year ended 30 September 2016

	Ordinary share capital £	Retained earnings £	Total £
Balance at 30 September 2014	100,000	541,976	641,976
Comprehensive income			
Profit or loss for the year	-	343,556	343,556
Total comprehensive income	-	343,556	343,556
Balance at 30 September 2015	100,000	885,532	985,532
Comprehensive income			
Profit or loss for the year	-	(35,803)	(35,803)
Total comprehensive income	-	(35,803)	(35,803)
Balance at 30 September 2016	100,000	849,729	949,729

Retained earnings - the retained earnings represent cumulative net gains and losses recognised in the statement of total comprehensive income.

The notes on pages 9 to 28 form part of these financial statements.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016

1 General information

Advanced Doors Limited manufactures, installs and repairs industrial door equipment.

The Company is a private limited company and is incorporated and domiciled in the UK. The registered office is Park Mill Way, Clayton West Industrial Estate, Clayton West, Huddersfield, HD8 9XJ.

The functional and presentation currency of the Company is Pounds Sterling. Monetary values in these financial statements are rounded to the nearest £1.

2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRS's"), and in accordance with the IFRS as issued by the IASB. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 4.

The IFRS primary financial statements are presented in accordance with IAS 1 - 'Presentation of Financial Statements'.

Transition to IFRS from United Kingdom Generally Accepted Accounting Practice ("UK GAAP") occurred on 1 October 2014. This transition had no effect on the financial position, performance or cash flows of the entity.

New accounting standards and interpretations

The following new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee are to be applied to financial statements with period commencing on or after the following dates:

Future accounting developments

Certain new standards, amendments to new standards and interpretations have been published that are mandatory to the Company's future accounting periods but have not been adopted early in these financial statements. These are set out below:

Title	Implementation
IFRS 7: Financial instruments disclosures	Annual periods beginning on or after 1 January 2016
IFRS 15: Revenue from contracts with customers	Annual periods beginning on or after 1 January 2018
IFRS 16: Leases	Annual periods beginning on or after 1 January 2019

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Accounting policies (*continued*)

Future accounting developments (continued)

The Directors are still assessing the impact of the above standards on the financial statements. There have been small amendments to other International Financial Reporting Standards however, the Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

Going concern

The Directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Foreign currency translation - transactions and balances

Foreign currency transactions are translated into the functional currency (sterling) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Leases

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of total comprehensive income on a straight line basis over the period of the lease.

The Company enters into hire purchase arrangements where substantially all the risks and rewards of ownership of the assets transfer to the Company. These are held on the statement of financial position as fixed assets.

The Company leases certain property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset.

Intangible fixed assets

Intangible fixed assets are shown at historical costs less accumulated amortisation. Amortisation is determined to write off these assets over their useful economic lives which are considered to be finite, as follows:-

Industry certifications	-	3 years straight line
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Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Accounting policies (*continued*)

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation on all property, plant and equipment is determined to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	-	10% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	20% straight line

An asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the statement of total comprehensive income.

Financial assets

Classification

The Company classifies its financial assets in one category - loans and receivables. The classification depends on the purpose for which the financial assets were acquired and management determines the classification of its financial assets at initial recognition. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (see accounting policies).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase the asset. Financial assets are derecognised when the risk and reward of ownership have transferred.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Accounting policies (*continued*)

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payment are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised within administrative expenses in the statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out method. Finished goods are measured at fair value less margin, which is estimated to equal costs to sell.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments, with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade payables

Trade payables are non-derivative financial liabilities with fixed or determinable payments and relate to obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are included in current liabilities, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised costs, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of total comprehensive income over the period of borrowings using the effective interest method.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Accounting policies (*continued*)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of total comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, it establishes provisions, when appropriate, as the basis of amounts expected to be paid to the tax authorities.

Where tax relief is claimed against losses sustained by other companies in the Group, this relief is charged to the Company by the donor Company at the rate of £1 for every £1 of taxation not paid except in the case where the intermediary holding company provide group relief to the Company which is not paid for. Amounts payable for group relief are included in the taxation charge of the Company.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services. Revenue is shown net of value-added taxes, returns and rebates.

(a) Sale of goods

Revenue from the sale of goods is recognised upon installation of the goods, being the part of which the risks and rewards of ownership have transferred to the customer.

The invoice is raised at this point unless the customer delays delivery for its own operational purposes, in which case the revenue will not be recognised until despatch and installation occurs.

The company maintains invoice discounting facilities to enable it to finance sales as and when liquidity requirements arise.

(b) Sales of services

Repair and maintenance work is invoiced and the revenue recognised upon completion of the provision of the service.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

2 Accounting policies (*continued*)

Revenue (continued)

c) Interest income

Interest income is recognised using the effective interest method.

Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

3 Financial risk management

Financial risk factors

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company's overall risk management programme focuses on the unpredictability of the markets in which it operates and seeks to minimize associated volatility of the Company's financial performance. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

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 executive directors.

(a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The company has implemented policies that require maintaining appropriate credit limits on all customers. The company's credit risk is primarily attributable to its trade receivables balance. The amounts presented in the statement of financial position are net of allowances for doubtful debts.

The Company does not have significant concentrations of credit risk. The deposits with banks are only held with reputable financial institutions. This credit worthiness is reviewed periodically in order to ensure active management of counter-party risk. If customers are independently rated, these ratings are used. If there is no independent rating, the board of directors assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

3 Financial risk management (continued)

(b) Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash balances, which earn interest at floating rates. Interest bearing liabilities comprise amounts due on invoice discounting facilities which attract interest at floating rates and hire purchase liabilities which include a fixed rate of interest over the period of the lease.

(c) Capital risk management

The entity manages share capital, consisting of ordinary shares and irredeemable preference shares as capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company keeps the capital structure under review with a process of monthly financial forecasts updated quarterly. These forecasts, including a detailed cash flow forecast, provide the Board with an assessment of the Company's capital adequacy for the period under review.

(d) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively managed with annual cash flow forecasts updated as required and subject to board review.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
At 30 September 2016				
Borrowings	331,174	58,179	6,072	-
Trade payables	411,438	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2015				
Borrowings	153,274	67,493	42,612	-
Trade payables	733,466	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

There are no borrowings greater than 5 years.

The company's borrowings are analysed in note 17.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Provision for impairment of inventories

The Company assesses the carrying value of inventories with reference to the anticipated net realisable value of inventories held, amongst other factors. The total provision for impairment made against inventories is presented in Note 13.

Provision for impairment of trade receivables

The Company assesses the recoverability of trade receivables with reference to the age of the debt and the customer's payment history, amongst other factors. The age profile of trade receivables which are overdue and/or provided against is presented in Note 14.

5 Revenue

An analysis of the company's revenue is as follows:-

	2016 £	2015 £
Revenue by class of business:		
Manufacture and installation	4,080,628	4,969,348
Service and repair	-	1,651,105
	<u>4,080,628</u>	<u>6,620,453</u>
	2016 £	2015 £
Revenue by geographical location:		
United Kingdom	4,080,628	6,620,453
	<u>4,080,628</u>	<u>6,620,453</u>

6 Operating (loss)/profit

This is arrived at after charging:

	2016 £	2015 £
Cost of inventories recognised as an expense	2,083,258	2,897,750
Depreciation charges	132,155	124,432
Employee benefit costs	1,238,600	1,915,924
Loss/(Profit) on disposal of property, plant and equipment	5,857	(12,923)
Operating lease charges	29,708	81,492

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

7 Employee benefit expense

	2016 £	2015 £
Wages and salaries	1,128,245	1,756,465
Social security costs	104,810	157,059
Pension costs	5,545	2,400
	<u>1,238,600</u>	<u>1,915,924</u>

The average monthly number of persons (including executive directors) employed during the year was:

	2016 Number	2015 Number
Directors	1	1
Factory and supply and fit	30	36
Service and repairs fitters	-	14
Sales, technical and administration	23	21
	<u>54</u>	<u>72</u>

The number of employees at 30 September 2016 was 38 (2015 - 72).

Directors emoluments are considered in note 23.

8 Auditors' remuneration

During the year the following services were obtained from the Company's auditors.

	2016 £	2015 £
Fees payable to auditors for the audit of the Company's financial statements	<u>12,000</u>	<u>10,650</u>
Non-audit services provided by associates of RSM UK Audit LLP:		
Tax compliance services	3,725	-
Accounts preparation	<u>3,500</u>	<u>-</u>
	<u>7,225</u>	<u>-</u>

9 Finance income and costs

	2016 £	2015 £
Interest expense:		
On finance leases and hire purchase contracts	<u>17,435</u>	<u>16,172</u>
Total finance costs	<u>17,435</u>	<u>16,172</u>

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (*continued*)

10 Tax expense

	2016 £	2015 £
<i>Current tax</i>		
Current tax on profit for the year	-	101,213
Adjustment in respect of prior periods	(33,180)	306
Group relief	11,481	492
	<hr/>	<hr/>
Total current tax	(21,699)	102,011
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of temporary timing differences	(26,274)	(11,991)
Adjustment in respect of previous periods	32,373	-
	<hr/>	<hr/>
	6,099	(11,991)
	<hr/>	<hr/>
Total tax	(15,600)	90,020
	<hr/>	<hr/>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the Company as follows:

	2016 £	2015 £
(Loss)/profit before tax	(51,403)	433,576
	<hr/>	<hr/>
Tax calculated at domestic tax rates applicable 20% (2015 - 20.5%)	(10,281)	88,877
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes	229	539
Adjustments in respect of previous periods	(807)	306
Marginal relief	-	-
Other tax differences	481	298
Change in rate of deferred tax	(5,222)	-
	<hr/>	<hr/>
Total tax (credit)/charge for year	(15,600)	90,020
	<hr/>	<hr/>

The main rate of corporation tax for UK companies reduced from 21% to 20% from 1 April 2015. In the 2016 Budget, further reductions were announced. The rate will reduce to 19% from 1 April 2017 and by a further 2% to 17% from 1 April 2020.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

11 Property, plant and equipment

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Balance at 1 October 2014	5,657	10,595	65,970	219,630	301,852
Additions	-	30,000	17,435	146,953	194,388
Disposals	-	-	-	(15,277)	(15,277)
Depreciation charge	(2,004)	(6,890)	(22,315)	(93,223)	(124,432)
Closing net carrying value	3,653	33,705	61,090	258,083	356,531
At 30 September 2015					
Cost	20,000	76,980	150,812	530,657	778,449
Accumulated depreciation	(16,347)	(43,275)	(89,722)	(272,574)	(421,918)
Net carrying value	3,653	33,705	61,090	258,083	356,531
Balance at 1 October 2015	3,653	33,705	61,090	258,083	356,531
Additions	-	-	-	37,460	37,460
Disposals - cost	-	-	-	(46,383)	(46,383)
Disposals - depreciation	-	-	-	35,526	35,526
Depreciation charge	(2,004)	(9,267)	(19,955)	(100,929)	(132,155)
Closing net carrying value	1,649	24,438	41,135	183,757	250,979
At 30 September 2016					
Cost	20,000	76,980	150,812	521,734	769,526
Accumulated depreciation	(18,351)	(52,542)	(109,677)	(337,977)	(518,547)
Net carrying value	1,649	24,438	41,135	183,757	250,979

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

12 Intangible assets

	Industry certifications £
<i>Cost and net book value</i>	
At 30 October 2015	9,073
Additions	-
Amortisation	
	<hr/>
At 30 September 2016	9,073
	<hr/>

Intangible assets relate to industry certifications for the security rating required for products sold by the company. These are amortised on a straight line basis over 3 years, which is considered to be the duration of their economic benefits.

13 Inventories

	2016 £	2015 £
Finished goods	72,788	95,783
Raw materials	130,279	258,904
	<hr/>	<hr/>
	203,067	354,687
	<hr/>	<hr/>

The cost of inventories recognised as an expense and included in cost of sales amounted to £2,083,258 (2015 - £2,897,750). The cost of inventories recognised as an expense includes £77,500 (2015 - £Nil) in respect of write-downs of inventory to net realisable value.

The directors consider that the difference between the purchase price of inventories and their replacement cost is not material.

14 Trade and other receivables

	2016 £	2015 £
Trade receivables	937,127	1,307,479
Less: provision for impairment of trade receivables	(177,547)	(271,557)
	<hr/>	<hr/>
Trade receivables (net)	759,580	1,035,922
Other debtors	46,518	54,575
Amounts owed by group undertakings	714,730	523,127
	<hr/>	<hr/>
Current receivables	1,520,828	1,613,624
	<hr/>	<hr/>

The fair value of trade and other receivables at 30 September 2016 is approximate to the book value stated above.

During the year a provision of £97,857 (2015 - £159,203) was made against retention debtors, which is included in the provision shown above. The remainder of the provision relates to trade receivables past due which are analysed below.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

14 Trade and other receivables (continued)

As of 30 September 2016, trade receivables of £76,853 (2015 - £114,384) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2016 £	2015 £
Up to 3 months	76,853	-
3 to 6 months	-	106,610
Over 6 months	-	7,774
	<u>76,853</u>	<u>114,384</u>

As at 30 September 2016, trade receivables of £177,547 (2015 - £271,557) were impaired and fully provided for.

The ageing of these receivables is as follows:

	2016 £	2015 £
Up to 3 months	71,836	-
3 to 6 months	20,515	106,610
Over 6 months	85,196	164,947
	<u>177,547</u>	<u>271,557</u>

Movements in the provision for impairment of trade receivables are as follows:-

At 1 October	271,557	47,028
Amounts provided for during the year	-	224,529
Release of provision brought forward	(94,010)	-
	<u>177,547</u>	<u>271,557</u>

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

15 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances held with banks. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts.

	2016 £	2015 £
Cash in hand	1,099	750
Cash at bank	34,066	178,539
	<u>35,165</u>	<u>179,289</u>

16 Share capital

	Number of shares	Ordinary shares	Irredeemable Preference shares	Total
At 30 September 2015 and 30 September 2016	100,000	100	99,900	100,000

The total authorised number of ordinary shares is 100 (2015 - 100) with a par value of £1 per share (2015 - £1 per share). The amount of unpaid ordinary share capital at 30 September 2016 is £Nil (2015 - £Nil).

The total authorised number of preference shares is 99,900 (2015 - 99,900) with a par value of £1 per share (2015 - £1 per share). The amount of unpaid preference share capital at 30 September 2016 is £Nil (2015 - £Nil).

Preference shares are entitled to preferential distribution on the winding up of the company and hold no right to dividends. In all other respects they rank pari passu with ordinary shares.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (continued)

17 Borrowings	2016 £	2015 £
<i>Non-current</i>		
Obligations under finance lease and hire purchase contracts	64,251	110,105
<i>Current</i>		
Invoice discounting	251,968	27,420
Directors' loans	-	6,501
Obligations under finance lease and hire purchase contracts	79,206	119,353
Total current borrowings	331,174	153,274

(a) Invoice discounting

The company has facilities available to draw down monies based on the level of trade receivables it is carrying. Amounts drawn down under this facility are repayable within 120 days of the relevant invoice date of the trade receivables and are subject to service charges based on the value drawn down.

(b) Finance lease liabilities

The company leases some of its motor vehicles (net carrying value £183,757- 2015- £258,083) and plant and machinery (net carrying value £23,245- 2015- £31,045). Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the Company has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Gross finance lease liabilities - minimum lease payments

	2016 £	2015 £
No later than one year	86,455	125,234
Later than one year and no later than five years	67,174	115,530
Future finance charges on finance leases	153,629 (10,172)	240,764 (11,306)
	143,457	229,458

The present value of lease liabilities is as follows:

No later than one year	79,206	119,353
Later than one year and no later than five years	64,251	110,105
Total	143,457	229,458

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

18 Trade and other payables

	2016 £	2015 £
Trade payables	411,438	733,466
Social security and other taxes	136,915	163,036
Accrued expenses and other payables	117,710	176,172
Amounts owed to group undertakings	-	65,906
Amounts owed to group undertakings in respect of group relief	11,481	1,005
	<u>677,544</u>	<u>1,139,585</u>
Trade and other payables		

19 Deferred tax

The analysis of deferred tax liabilities is as follows:

	2016 £	2015 £
Deferred tax liabilities:		
- Deferred tax liability to be payable after more than 12 months	(29,594)	(23,495)

The gross movement on the deferred income tax account is as follows:

	2016 £	2015 £
At 1 October 2015	(23,495)	(35,486)
Statement of total comprehensive income (charge)/credit	(6,099)	11,991
	<u>(29,594)</u>	<u>(23,495)</u>
At 30 September 2016		

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	(29,594)	(23,495)
	<u>(29,594)</u>	<u>(23,495)</u>
Deferred taxation liability		

Deferred tax is calculated on the temporary differences under the liability method using a tax rate of 17% (2015 - 20%).

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

20 Financial instruments

a) By category

<i>Loans and receivables</i>	2016 £	2015 £
Trade and other receivables	1,520,828	1,613,624
Cash and cash equivalents	35,165	179,289
	<u>1,555,993</u>	<u>1,792,913</u>
<i>Financial liabilities at amortised cost</i>		
Borrowings	395,425	263,379
Trade and other payables	540,629	976,549
	<u>936,054</u>	<u>1,239,928</u>

b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Trade receivables

The credit quality of trade receivables that are neither past due nor impaired have been assessed based on historical information about the counterparty default rate. The Company does not hold any receivable balances with customers, whose past default has resulted in no recovery of the receivables balance.

Cash at bank

The credit quality of cash has been assessed by reference to external credit ratings, based on Moody's Long-term Issuer Ratings.

	2016 £	2015 £
A-2 – Standard and Poor's rating	<u>34,066</u>	<u>178,539</u>

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

21 Cash generated from operations

	2016 £	2015 £
(Loss)/profit before tax	(51,403)	433,576
Adjustments for:		
Depreciation	132,155	124,432
(Loss)/Profit on disposal of property, plant and equipment	5,857	(12,923)
Finance costs	17,435	16,172
Changes in working capital:		
Decrease/(increase) in inventories	151,620	(28,336)
Decrease/(increase) in trade and other receivables	92,796	464,928
(Decrease)/increase in trade and other payables	(473,522)	(195,152)
Cash generated from operations	(125,062)	802,697

22 Commitments

Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
No later than one year	35,000	35,000
Later than one year and not later than five years	17,500	52,500
Total	52,500	87,500

Operating lease commitments relate to the rental of properties for use by the business.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2016 (continued)

23 Related party transactions

Buckland Capital Partners Limited is a company controlled by Portchester Equity Limited, a shareholder of the Company. During the period Buckland Capital Partners Limited provided professional services regarding the provision of management service to the Company amounting to £Nil (2015 - £24,750). An amount of £Nil (2015 - £Nil) was owed to them at 30 September 2016 and is included in trade payables.

Finnies Accountants Limited is a company controlled by N M Auton, a director of the company. During the period Finnies Accountants Limited provided professional services regarding the provision of N M Auton's services amounting to was £22,238 (2015 - £83,190). An amount of £Nil was owed at 30 September 2016 (2015 - £11,314) and is included in trade payables.

Marketforce UK (Y2K) Limited is a company controlled by NB Oliver, a director of the company. During the year Marketforce UK (Y2K) Limited provided facilities management services amounting to £4,618 (2015 - £5,542). An amount of £Nil (2015 - £1,108) is included within Trade and other payables at the year end in relation to services provided.

(a) Key management compensation

The directors are considered to be the only key management of the business. The compensation paid or payable to directors for employee services is shown below.

	2016 £	2015 £
Aggregate emoluments inclusive of employer social security, benefits in kind and pension costs	107,341	93,724
Amounts paid to third parties in respect of directors' services	-	24,750

The emoluments of the highest paid director were as follows:

	2016 £	2015 £
Directors' remuneration	94,743	83,333
Benefits in kind	550	-
Employer pension costs	-	-
Aggregate emoluments	95,293	83,333

(b) Payments in respect of corporation tax group relief

	2016 £	2015 £
Arrow Industrial Group Limited	11,231	-
Advanced Doors Holdings Limited	250	1,005
Total	11,481	1,005

Taxable losses exist within the group, principally with Arrow Industrial Group Limited and Advanced Doors Holdings Limited. In these accounts the benefit of that group relief has been recognised to the extent that an amount payable to group companies has been recognised, equivalent to the corporation tax charge for the year. At the date of approval of these financial statements; it is uncertain to which party or parties this payment will be made.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2016 (*continued*)

23 Related party transactions (*continued*)

c) Group balances

Portchester Equity Holdings Limited is the ultimate parent company.

Termwell Limited is the immediate parent company.

Amounts owed by fellow group companies at the year end are as follows:

	2016 £	2015 £
Advanced Doors Holdings Limited	246,625	122,317
Termwell Limited	250,000	250,000
Arrow Industrial Group Limited	218,105	76,979
	<hr/>	<hr/>

d) Loans and transactions concerning directors and officers of the company

	2016 £	2015 £
Amounts owed to directors		
P A Whyatt	-	6,501
	<hr/>	<hr/>

24 Ultimate controlling party

The immediate parent company is Termwell Limited and the ultimate parent company is Portchester Equity Limited, a private company incorporated in the UK. The largest and smallest company in which the results of the Company are consolidated is that headed by Portchester Equity Limited. Copies of these financial statements can be obtained from 20 Jewry Street, Winchester, Hampshire, SO23 8RZ.

The directors recognise M E Thistlethwayte as the ultimate controlling party by virtue of his majority holding in the ordinary shares of Portchester Equity Limited.