

Advanced Doors Limited

Report and Financial Statements

Year Ended

30 September 2017

Company Number 02744762

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Advanced Doors Limited
Report and financial statements
for the year ended 30 September 2017

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Directors

N B Oliver
D C Harbord

Registered office

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

Company number

02744762

Auditor

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

Advanced Doors Limited

Report of the directors for the year ended 30 September 2017

The directors present their Annual Report together with the audited financial statements for the year ended 30 September 2017.

Results and dividends

The Statement of Comprehensive Income is set out on page 5 and shows the profit for the year.

During the year no dividends (2016 - £Nil) have been paid.

On 1 October 2017 Arrow Industrial Group Limited announced that it would fully integrate the assets, liabilities and business of Advanced Doors Limited into Arrow Industrial Group Limited. As at the date of approving the financial statements, the assets of Advanced Doors Limited had not transferred into Arrow Industrial Group Limited. It is anticipated that Advanced Doors Limited will continue to exist as a non-trading company after the transfer of assets.

Financial risk management

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

Directors

The directors of the company during the year were:

P A Whyatt – (resigned 28 April 2017)
N B Oliver
D C Harbord

The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

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.

Advanced Doors Limited

Report of the directors for the year ended 30 September 2017 (*continued*)

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 are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

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**

Date

9/1/18

Advanced Doors Limited

Independent auditor's report

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

Opinion

We have audited the financial statements of Advanced Doors Limited (the 'company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, the statement of financial position, the cash flow statement, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Advanced Doors Limited

Independent auditor's report (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies exemption from the requirement to prepare a strategic report in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 BA FCA

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

3rd Floor
Portland
25 High Street
Crawley
West Sussex
United Kingdom
RH10 1BG

Date

12.1.18

Advanced Doors Limited

Statement of comprehensive income for the year ended 30 September 2017

	Note	2017 £	2016 £
Revenue	5	3,892,055	4,080,628
Cost of sales		(2,867,420)	(3,064,626)
Gross profit		1,024,635	1,016,002
Distribution costs		(49,893)	(69,221)
Administrative expenses		(917,040)	(980,749)
Operating profit/(loss)	7	57,702	(33,968)
Finance costs	11	(7,428)	(17,435)
Profit/(loss) before tax		50,274	(51,403)
Tax (expense)/credit	12	(12,600)	15,600
Profit/(loss) for the year from continuing operations		37,674	(35,803)
Profit/(loss) attributable to: Equity holders of the company		37,674	(35,803)

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.

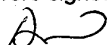
The notes on pages 9 to 31 form part of these financial statements.

Advanced Doors Limited

Statement of financial position at 30 September 2017

Company number 02744762	Note	2017 £	2017 £	2016 £	2016 £
Assets					
Non-current assets					
Property, plant and equipment	13		125,404		250,979
Intangible assets	14		9,073		9,073
			<u>134,477</u>		<u>260,052</u>
Total non-current assets					
Current assets					
Inventories	15	175,320		203,067	
Trade and other receivables	16	1,394,140		1,520,828	
Corporation tax receivable		-		33,180	
Cash and cash equivalents	17	233,024		35,165	
		<u></u>	<u>1,802,484</u>	<u></u>	<u>1,792,240</u>
Total current assets					
Total assets					
			<u>1,936,961</u>		<u>2,052,292</u>
Equity attributable to equity holders					
Share capital	18	100,000		100,000	
Retained earnings	19	887,403		849,729	
		<u></u>	<u>987,403</u>	<u></u>	<u>949,729</u>
Total equity					
Liabilities					
Non-current liabilities					
Borrowings	20	16,713		64,251	
Deferred tax liability	22	13,436		29,594	
		<u></u>	<u>30,149</u>	<u></u>	<u>93,845</u>
Total non-current liabilities					
Current liabilities					
Borrowings	20	194,103		331,174	
Trade and other payables	21	702,548		677,544	
Corporation tax liability		22,758		-	
		<u></u>	<u>919,409</u>	<u></u>	<u>1,008,718</u>
Total current liabilities					
Total liabilities					
			<u>949,558</u>		<u>1,102,563</u>
Total equity and liabilities					
			<u>1,936,961</u>		<u>2,052,292</u>

The financial statements were approved and authorised for issue by the Board of Directors on 9/1/18 and were signed on its behalf by:



D C Harbord
Director

The notes on pages 9 to 31 form part of these financial statements.

Advanced Doors Limited

Cash flow statement for the year ended 30 September 2017

		2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash generated from operations	24	342,338		(125,062)	
Interest paid		(7,428)		(17,435)	
Income tax refund/(paid)		27,180		(101,213)	
		<u> </u>		<u> </u>	
Net cash generated/(used in) from operating activities			362,090		(243,710)
Cash flows from investing activities					
Purchase of property, plant and equipment		(208)		(37,460)	
Sale of property, plant and equipment		20,586		5,000	
		<u> </u>		<u> </u>	
Net cash generated/(used) in investing activities			20,378		(32,460)
Cash flows from financing activities					
(Repayments)/proceeds from borrowings		(108,909)		224,548	
(Repayments) of borrowings		(75,700)		(92,502)	
		<u> </u>		<u> </u>	
Net cash generated from financing activities			(184,609)		132,046
Net increase/(decrease) in cash and cash equivalents			<u>197,859</u>		<u>(144,124)</u>
Cash and cash equivalents at the beginning of the year			35,165		179,289
Cash and cash equivalents at the end of the year			<u>233,024</u>		<u>35,165</u>

The notes on pages 9 to 31 form part of these financial statements.

Advanced Doors Limited

Statement of changes in equity for the year ended 30 September 2017

	Ordinary share capital £	Retained earnings £	Total £
Balance at 30 September 2015	100,000	885,532	985,532
Comprehensive income			
Profit/(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
Comprehensive income			
Profit/(loss) for the year	-	37,674	37,674
Total comprehensive income	-	37,674	37,674
Balance at 30 September 2017	100,000	887,403	987,403

The notes on pages 9 to 31 form part of these financial statements.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017

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 England and Wales. The registered office is Park Mill Way, Clayton West Industrial Estate, Clayton West, Huddersfield, HD8 9XJ.

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 as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. 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.

New accounting standards, interpretations and future accounting developments

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 periods commencing on or after the following dates:

<i>Title</i>	<i>Implementation</i>	<i>Anticipated effect on the Company</i>
IFRS 9	1 January 2018	Management is considering future impact
IFRS 12	1 January 2017	Management is considering future impact
IFRS 15	1 January 2018	Management is considering future impact
IFRS 16	1 January 2019	Management is considering future impact
IAS 7	1 January 2017	Management is considering future impact
IAS 12	1 January 2017	Management is considering future impact

The Directors are still assessing the impact of the above standards on the financial statements.

There have been small amendments to other IFRS in issue however, the Directors anticipate that the adoptions of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

2 Accounting policies (*continued*)

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

(a) Functional and presentation currency

The functional and presentation currency of the Company is Pounds Sterling. Monetary values in these consolidated financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency 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.

Property, plant and equipment

All property, plant and equipment other than metal cabins 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.

The cost of repairs and maintenance are charged to the Statement of Total Comprehensive Income in the year to which they are incurred.

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

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

The assets' 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 comprehensive income.

Intangible fixed assets

Other intangible assets

Other intangible assets are stated at historical cost less accumulated amortisation.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

2 Accounting policies (*continued*)

Intangible fixed assets and amortisation

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful life of the asset as follows:

Industry certification – 3 years straight line

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 balances in the statement of financial position.

a) 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using first in, first out (FIFO) 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.

Trade and other receivables

Trade and other 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 provision recorded is the difference between the assets carrying amount and the present value of estimate 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.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

2 Accounting policies (*continued*)

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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. 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 and other payables

Trade and other 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 and other 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 and other 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 comprehensive income over the period of borrowings using the effective interest rate method.

Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively 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.

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 consolidated 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.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

2 Accounting policies (continued)

Employee benefits

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below:

(a) Sale of goods

Revenue from the sale of goods is recognised upon installation of the goods, being the point at 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.

c) Interest income

Interest income is recognised using the effective interest method.

Leases

The Company is a lessee of assets.

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 comprehensive income on a straight line basis over the period of the lease.

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.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

2 Accounting policies (*continued*)

Leases (continued)

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 statement of comprehensive income 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 is depreciated over the shorter of the useful life of the asset and the lease term.

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 shareholders.

3 Financial risk management

Financial risk factors

The Company's operations expose it to a variety of financial risks that include the effects of foreign exchange risk, 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 minimise 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 and nature of the Company, the directors have delegated the responsibility of monitoring financial risk management to the board. The policies set by the Company board of directors are implemented by the 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.

(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 include preference shares, loan notes, other loans and finance leases which attract interest at fixed rates and amounts due on invoice discounting facilities, bank overdrafts and bank loans which attract interest at floating rates.

Advanced Doors Limited

**Notes forming part of the financial statements
for the year ended 30 September 2017 (continued)**

3 Financial risk management (continued)

Financial risk factors (continued)

(c) Capital risk management

Management regard the capital structure of the company to consist of the ordinary and preference shares in issue.

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 optimum 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. Management consider the current management of capital to be satisfactory.

(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 £
At 30 September 2017			
Borrowings	194,103	16,713	-
Trade payables	450,008	-	-
	<hr/>	<hr/>	<hr/>
At 30 September 2016			
Borrowings	331,174	58,179	6,072
Trade payables	411,438	-	-
	<hr/>	<hr/>	<hr/>

There are no borrowings greater than 5 years.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*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. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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 15.

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 16.

Change in accounting estimate

After giving due consideration to the nature and payment history of retention balances receivable, the Directors have amended their method of calculating provisions to be made against these balances. The effect of this on the current year's results is to increase profit before taxation by £23,202. The Directors consider it impracticable to estimate the effect this change will have on future periods.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

5 Revenue

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

	2017 £	2016 £
Revenue by class of business:		
Manufacture and installation	3,892,055	4,080,628
	<u>3,892,055</u>	<u>4,080,628</u>
	2017 £	2016 £
Revenue by geographical location:		
United Kingdom	3,892,055	4,080,628
	<u>3,892,055</u>	<u>4,080,628</u>

6 Operating costs

	2017 £	2016 £
Purchase of materials and change in inventories and work in progress	2,539,254	2,482,223
Employee benefit expense	852,796	1,238,600
Depreciation and amortisation	117,411	132,155
Operating lease rentals	29,708	29,708
Other costs	295,184	231,910
	<u>3,834,353</u>	<u>4,114,596</u>

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (continued)

7 Operating profit

	2017 £	2016 £
This is arrived at after charging:		
Cost of inventories recognised as an expense	2,539,254	2,482,223
Depreciation charges	117,411	132,155
Employee benefit costs	852,796	1,238,600
(Profit)/loss on disposal of property, plant and equipment	(12,214)	5,857
Operating lease charges	29,708	29,708
	<hr/>	<hr/>

8 Employee benefit expense

	2017 £	2016 £
Wages and salaries	805,773	1,128,245
Social security costs	43,896	104,810
Pension costs	3,127	5,545
	<hr/>	<hr/>
	852,796	1,238,600
	<hr/>	<hr/>

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

	2017 Number	2016 Number
Directors	1	1
Factory and supply and fit	20	30
Sales, technical and administration	12	23
	<hr/>	<hr/>
	33	54
	<hr/>	<hr/>

The number of employees at 30 September 2017 was 32 (2016 - 38).

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

9 Directors' emoluments

	2017 £	2016 £
Emoluments	47,203	107,341
Aggregate emoluments	47,203	107,341

There are nil (2016 – nil) directors accruing benefits under money purchase pension schemes.

10 Auditor's remuneration

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

	2017 £	2016 £
Fees payable to company's auditor for the audit of the company's financial statements	12,500	12,000

11 Finance income and costs

	2017 £	2016 £
Interest expense: On finance leases and hire purchase contracts	7,428	17,435
Total finance costs	7,428	17,435

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

12 Tax expense

	2017 £	2016 £
<i>Current tax</i>		
Current tax on profit for the year	28,663	-
Adjustment in respect of prior periods	95	(33,180)
Group relief	-	11,481
	<hr/>	<hr/>
Total current tax	28,758	(21,699)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of temporary timing differences	(16,077)	(26,274)
Adjustment in respect of previous periods	(81)	32,373
	<hr/>	<hr/>
	(16,158)	6,099
	<hr/>	<hr/>
Total tax	12,600	(15,600)
	<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:

	2017 £	2016 £
Profit/(loss) before tax	50,274	(51,403)
	<hr/>	<hr/>
Tax calculated at domestic tax rates applicable 19.5% (2016 - 20%)	9,803	(10,281)
Effects of:		
Expenses not deductible for tax purposes	419	229
Adjustments in respect of previous periods	14	(807)
Other tax differences	-	481
Change in rate of deferred tax	2,364	(5,222)
	<hr/>	<hr/>
Total tax charge/(credit) for year	12,600	(15,600)
	<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 2017 *(continued)*

13 Property, plant and equipment

	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
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
Balance at 1 October 2016	1,649	24,438	41,135	183,757	250,979
Additions	-	208	-	-	208
Disposals - cost	-	-	-	(33,500)	(33,500)
Disposals - depreciation	-	-	-	25,128	25,128
Depreciation charge	(1,649)	(9,020)	(16,112)	(90,630)	(117,411)
Closing net carrying value	-	15,626	25,023	84,755	125,404
At 30 September 2017					
Cost	20,000	77,188	150,812	488,234	736,234
Accumulated depreciation	(20,000)	(61,562)	(125,789)	(403,479)	(610,830)
Net carrying value	-	15,626	25,023	84,755	125,404

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

14 Intangible assets

	Industry certifications £
Balance at 1 October 2016	9,073
Additions	-
Amortisation	-
	<hr/>
Balance at 30 September 2017	9,073
	<hr/>
<i>At 30 September 2016</i>	
Cost	9,073
Accumulated impairment charges	-
	<hr/>
Net book value	9,073
	<hr/>
<i>At 30 September 2017</i>	
Cost	16,138
Accumulated impairment charges	(7,065)
	<hr/>
Net book value	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.

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (continued)

15 Inventories

	2017 £	2016 £
Raw materials	120,545	130,279
Finished goods	54,775	72,788
	<u>175,320</u>	<u>203,067</u>

The cost of inventories recognised as an expense and included in cost of sales amounted to £2,539,254 (2016 - £2,482,223). The cost of inventories recognised as an expense includes £nil (2016 - expense of £77,500) in respect of (reversal of impairment)/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.

16 Trade and other receivables

	2017 £	2016 £
Trade receivables	595,247	937,127
Less: provision for impairment of trade receivables	(40,794)	(177,547)
	<u>554,453</u>	<u>759,580</u>
Trade receivables (net)	554,453	759,580
Other debtors	37,913	46,518
Amounts owed by group undertakings	801,774	714,730
	<u>1,394,140</u>	<u>1,520,828</u>

The fair value of trade and other receivables at 30 September 2017 approximates to the book value stated above.

During the year a provision of £35,124 (2016 - £97,857) 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 2017 *(continued)*

16 Trade and other receivables *(continued)*

As of 30 September 2017, trade receivables of £38,078 (2016 - £76,853) 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:

	2017 £	2016 £
Up to 3 months	38,078	76,853
3 to 6 months	-	-
Over 6 months	-	-
	<u>38,078</u>	<u>76,853</u>

As at 30 September 2017, trade receivables of £40,794 (2016 - £177,547) were impaired and fully provided for.

The ageing of these receivables is as follows:

	2017 £	2016 £
Up to 3 months	31,651	71,836
3 to 6 months	8,533	20,515
Over 6 months	610	85,196
	<u>40,794</u>	<u>177,547</u>

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

	2017 £	2016 £
At 1 October	177,547	271,557
Amounts provided for during the year	-	-
Release of provision brought forward	(136,753)	(94,010)
	<u>40,794</u>	<u>177,547</u>
At 30 September	40,794	177,547

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

17 Cash and cash equivalents

	2017 £	2016 £
Cash and cash equivalents for the purposes of the consolidated statement of cash flows	233,024	35,165

18 Share capital

	Number of shares	Ordinary shares	Irredeemable Preference shares	Total
At 30 September 2016 and 30 September 2017	100,000	100	99,900	100,000

The total authorised number of ordinary shares is 100 (2016 - 100) with a par value of £1 per share (2016 - £1 per share). The amount of unpaid ordinary share capital at 30 September 2017 is £Nil (2016- £Nil).

The total authorised number of preference shares is 99,900 (2016 - 99,900) with a par value of £1 per share (2016 - £1 per share). The amount of unpaid preference share capital at 30 September 2017 is £Nil (2016 - £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.

19 Reserves

Retained earnings

The retained earnings represent cumulative net gains and losses recognised in the statement of total comprehensive income net of distributions to shareholders.

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

20 Borrowings	2017	2016
	£	£
<i>Non-current</i>		
Obligations under finance lease and hire purchase contracts	16,713	64,251
	<hr/>	<hr/>
<i>Current</i>		
Invoice discounting	143,059	251,968
Obligations under finance lease and hire purchase contracts	51,044	79,206
	<hr/>	<hr/>
Total current borrowings	194,103	331,174
	<hr/>	<hr/>
(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 £84,755 – (2016 - £183,757) and plant and machinery (net carrying value £15,445 (2016 - £23,245)). 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	2017	2016
	£	£
No later than one year	55,240	86,455
Later than one year and no later than five years	19,415	67,174
	<hr/>	<hr/>
	74,655	153,629
Future finance charges on finance leases	(6,898)	(10,172)
	<hr/>	<hr/>
	67,757	143,457
	<hr/>	<hr/>
The present value of lease liabilities is as follows:		
No later than one year	51,044	79,206
Later than one year and no later than five years	16,713	64,251
	<hr/>	<hr/>
Total	67,757	143,457
	<hr/>	<hr/>

Advanced Doors Limited

Notes forming part of the financial statements for the year ended 30 September 2017 (*continued*)

21 Trade and other payables

	2017 £	2016 £
Trade payables	450,008	411,438
Social security and other taxes	149,491	136,915
Accrued expenses and other payables	91,568	117,710
Amounts owed to group undertakings in respect of group relief	11,481	11,481
	<hr/>	<hr/>
Trade and other payables	702,548	677,544
	<hr/>	<hr/>

22 Deferred tax

The analysis of deferred tax liabilities is as follows:

	2017 £	2016 £
Deferred tax liabilities:		
- Deferred tax liability falling due after more than 12 months	(13,436)	(29,594)
	<hr/>	<hr/>

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

	2017 £	2016 £
At 1 October 2016	(29,594)	(23,495)
Statement of total comprehensive income credit/(charge)	16,158	(6,099)
	<hr/>	<hr/>
At 30 September 2017	(13,436)	(29,594)
	<hr/>	<hr/>

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

	2017 £	2016 £
Temporary differences	104	-
Accelerated capital allowances	(13,540)	(29,594)
	<hr/>	<hr/>
Deferred taxation liability	(13,436)	(29,594)
	<hr/>	<hr/>

Deferred tax is calculated on the temporary differences under the liability method using a tax rate of 17% (2016 - 17%).

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 (*continued*)

23 Financial instruments

a) By category

	Loans and receivables	
	2017	2016
	£	£
Trade and other receivables	1,394,140	1,520,828
Cash and cash equivalents	233,024	35,165
	<u>1,627,164</u>	<u>1,555,993</u>

Financial liabilities at amortised cost

	2017	2016
	£	£
Borrowings	210,816	395,425
Trade and other payables	553,057	540,629
	<u>763,873</u>	<u>936,054</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

	2017	2016
	£	£
A	<u>233,024</u>	<u>34,066</u>

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 *(continued)*

24 Cash generated from operations

	2017 £	2016 £
Profit/(loss) before tax	50,274	(51,403)
Adjustments for:		
Depreciation	117,411	132,155
(Profit)/loss on disposal of property, plant and equipment	(12,214)	5,857
Finance costs	7,428	17,435
Changes in working capital:		
Decrease in inventories	27,747	151,620
Decrease in trade and other receivables	126,688	92,796
Increase/(decrease) in trade and other payables	25,004	(473,522)
 Cash generated from operations	 <u>342,338</u>	 <u>(125,062)</u>

25 Commitments

(a) Lease commitments

The total future minimum lease payments under non-cancellable operating leases, in respect of land and buildings and plant and machinery, for each of the following years are:

	2017 £	2016 £
Expiring in:		
No later than one year	17,500	35,000
Later than one year and not later than five years	-	17,500
Later than five years	-	-
	<u>17,500</u>	<u>52,500</u>

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 2017 *(continued)*

26 Related party transactions

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 £Nil (2016 - £4,618). An amount of £Nil (2016 - £Nil) is included within Trade and other payables at the year end in relation to services provided.

On 25 October 2016, Advanced Doors Limited entered into a debenture agreement with its ultimate parent, Portchester Equity Limited. No amounts are outstanding under this debenture at 30 September 2017.

(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.

	2017 £	2016 £
Aggregate emoluments inclusive of employer social security, benefits in kind and pension costs	52,990	107,341

(b) Payments in respect of corporation tax group relief

	2017 £	2016 £
Arrow Industrial Group Limited	11,231	11,231
Advanced Doors Holdings Limited	250	250
	11,481	11,481

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.

(c) Group balances

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

	2017 £	2016 £
Advanced Doors Holdings Limited	246,625	246,625
Termwell Limited	250,000	250,000
Arrow Industrial Group Limited	305,149	218,105

Advanced Doors Limited

Notes forming part of the financial statements
for the year ended 30 September 2017 *(continued)*

26 Related party transactions (continued)

(d) Transactions with fellow subsidiary undertakings

During the year the company made purchases from and sales to Advanced Doors Limited, a wholly owned subsidiary of Advanced Doors Holdings Limited as follows:

	Sales in year	Purchases in year £	Amounts owed from Related Party £	Amounts owed to related party £
Advanced Doors Holdings Limited	-	-	246,625	-
Termwell Limited	-	-	250,000	-
Arrow Industrial Group Limited	879,899	145,957	305,149	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

27 Contingent liabilities

The company is subject to an unlimited cross guarantee dated 2 November 2016 with its fellow group company, Arrow Industrial Group Limited, in favour of the company's bankers. The total debt owing to the company's bankers under this cross guarantee at 30 September 2017 was £666,970.

28 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.

29 Subsequent events

On 1 October 2017 Arrow Industrial Group Limited announced that it would fully integrate the assets, liabilities and business of Advanced Doors Limited into Arrow Industrial Group Limited. As at the date of approving the financial statements, the assets of Advanced Doors Limited had not transferred into Arrow Industrial Group Limited. It is anticipated that Advanced Doors Limited will continue to exist as a non-trading company after the transfer of assets.