

Registration no: 05298340

Distinction Doors Limited

Directors' Report and Abbreviated Accounts
for the Year Ended 31 December 2008

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Pegasus House, 463a Glossop Road, Sheffield S10 2QD Telephone (0114) 266 7141

Distinction Doors Limited

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Distinction Doors Limited
Company Information

Directors	K McDonald OBE J E Avill A E Wright
Secretary	P H Perrey
Registered office	Wentworth 36 Wentworth Industrial Estate Wentworth Way Tankersley Barnsley S75 3DH
Auditors	Hawsons Chartered Accountants and Registered Auditors Pegasus House 463a Glossop Road S10 2QD

Distinction Doors Limited

Directors' Report for the Year Ended 31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the company is the distribution of composite doors.

Business Review

The directors consider that the results for the year were very satisfactory.

The directors expect the external commercial environment to remain challenging in the foreseeable future. However, they remain confident of the company's ability to meet and deal with those challenges.

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to be the level of the sterling exchange rate against the US dollar, continued regional investment in infrastructure, the impact of government legislation and the state of the wider economic climate.

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for the reader of the accounts to gain an understanding of the development, performance or position of the business.

Results and dividend

The results for the company are set out in the financial statements.

The directors do not recommend the payment of a dividend.

Distinction Doors Limited
Directors' Report for the Year Ended 31 December 2008

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Charitable donations

During the period the company made charitable donations amounting to £650 including an individual donation of £400 to Community Sponsorship Partners.

Directors

The directors who held office during the year were as follows:

- K McDonald OBE
- J E Avill
- A E Wright

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this Annual Report as set out above each confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Hawsons , are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 3 March 2009 and signed on its behalf by:


A E Wright
Director

**Independent Auditors' Report to
Distinction Doors Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Distinction Doors Limited, set out on pages 5 to 17, together with the financial statements of the company for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

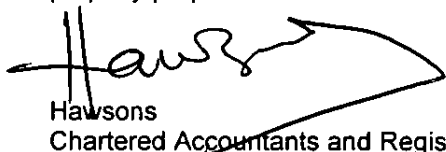
Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

We have undertaken the audit in accordance with the requirements of the APB Ethical Standards including the APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in the directors' report.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with those provisions.



Hawsons
Chartered Accountants and Registered Auditors

3 March 2009

Pegasus House
463a Glossop Road
S10 2QD

Distinction Doors Limited
Abbreviated Profit and Loss Account for the Year Ended 31 December 2008

	Note	2008 £	2007 £
Gross profit		2,696,193	1,836,347
Administrative expenses		(1,581,847)	(1,227,935)
Operating profit	2	<u>1,114,346</u>	<u>608,412</u>
Other interest receivable and similar income		3,071	1,769
Interest payable and similar charges	5	(113,629)	(112,719)
Profit on ordinary activities before taxation		<u>1,003,788</u>	<u>497,462</u>
Tax on profit on ordinary activities	6	(281,336)	(153,904)
Profit for the financial year		<u>722,452</u>	<u>343,558</u>
Profit and loss reserve brought forward		451,676	108,118
Profit and loss reserve carried forward		<u><u>1,174,128</u></u>	<u><u>451,676</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 8 to 17 form an integral part of these financial statements.

Distinction Doors Limited
Abbreviated Balance Sheet as at 31 December 2008

		2008		2007	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7	358,588		342,321	
Current assets					
Stocks	8	2,034,142	1,315,149		
Debtors	9	1,885,461	2,364,982		
Cash at bank and in hand		48,556	25,303		
		<u>3,968,159</u>	<u>3,705,434</u>		
Creditors: Amounts falling due within one year	10	<u>(2,918,213)</u>	<u>(3,378,359)</u>		
Net current assets		<u>1,049,946</u>		<u>327,075</u>	
Total assets less current liabilities		<u>1,408,534</u>		<u>669,396</u>	
Creditors: Amounts falling due after more than one year	11	(49,406)	(37,720)		
Provisions for liabilities	12	<u>(35,000)</u>	<u>(30,000)</u>		
Net assets		<u>1,324,128</u>		<u>601,676</u>	
Capital and reserves					
Called up share capital	13	150,000	150,000		
Profit and loss reserve		<u>1,174,128</u>	<u>451,676</u>		
Shareholders' funds	14	<u>1,324,128</u>		<u>601,676</u>	

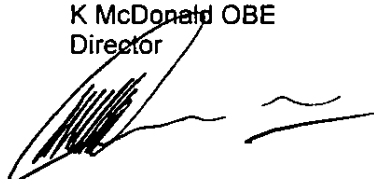
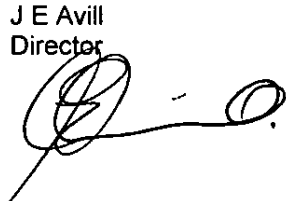
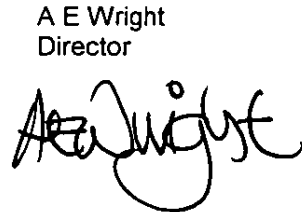
The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These abbreviated financial statements were approved by the Board and authorised for issue on 3 March 2009 and signed on its behalf by:

K McDonald OBE
Director

J E Avill
Director

A E Wright
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

Distinction Doors Limited

Cash Flow Statement for the Year Ended 31 December 2008

		2008	2007
	Note	£	£
Net cash flow from operating activities	18	829,419	(1,181,599)
Returns on investment and servicing of finance	18	(110,558)	(110,950)
Taxation	18	(139,904)	(16,000)
Capital expenditure and financial investment	18	(149,448)	(135,156)
Cash inflow/(outflow) before management of liquid resources and financing		429,509	(1,443,705)
Financing	18	(361,821)	1,098,354
Net cash flow		<u>67,688</u>	<u>(345,351)</u>

Reconciliation of net cash flow to movement in net debt

		2008	2007
	Note	£	£
Increase/(decrease) in cash in the year	19	67,688	(345,351)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>363,061</u>	<u>(1,098,354)</u>
Change in net funds resulting from cash flows		<u>430,749</u>	<u>(1,443,705)</u>
New finance leases		<u>(69,815)</u>	<u>(55,200)</u>
Movement in net funds/(debt) in the year		<u>360,934</u>	<u>(1,498,905)</u>
Net debt at the start of the year	19	<u>(2,105,156)</u>	<u>(606,251)</u>
Net debt at the end of the year	19	<u>(1,744,222)</u>	<u>(2,105,156)</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced value of sales of goods, net of trade discounts and value added tax.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Office equipment	33% straight line
Motor vehicles	33% straight line

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged in the profit and loss as incurred.

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging:

	2008 £	2007 £
Hire of other assets - operating leases	38,842	36,038
Lease of property - operating lease	130,919	55,875
Auditors' remuneration - audit services	3,300	3,150
Auditors' remuneration - non audit services	9,637	13,210
Foreign currency losses	70,652	118,219
Loss on disposal of tangible fixed assets	4,119	13,289
Depreciation of owned assets	48,555	26,929
Depreciation of assets held under hire purchase contracts	<u>26,350</u>	<u>13,800</u>

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2008 No.	2007 No.
Production	10	6
Administration and Sales	12	12
	<u>22</u>	<u>18</u>

The aggregate payroll costs were as follows:

	2008 £	2007 £
Wages and salaries	617,105	480,576
Social security	66,481	45,831
Other pension costs	7,834	6,000
	<u>691,420</u>	<u>532,407</u>

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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4 Directors' emoluments

The directors' emoluments for the year are as follows:

	2008 £	2007 £
Directors' remuneration (including benefits in kind)	107,192	103,269
Directors' pension contributions	7,834	6,000
	<u>115,026</u>	<u>109,269</u>

During the year the number of directors who were accruing benefits under company pension schemes was as follows:

	2008 No.	2007 No.
Money purchase	<u>1</u>	<u>1</u>

5 Interest payable and similar charges

	2008 £	2007 £
Bank interest payable	602	3,813
Loan interest	67,073	70,793
Invoice discounting	38,459	35,832
Hire purchase interest	7,495	2,281
	<u>113,629</u>	<u>112,719</u>

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

..... continued

6 Taxation

Analysis of current period tax charge

	2008 £	2007 £
Current tax		
Corporation tax charge	<u>276,336</u>	<u>139,904</u>
Deferred tax		
Origination and reversal of timing differences	<u>5,000</u>	<u>14,000</u>
Total tax on profit on ordinary activities	<u><u>281,336</u></u>	<u><u>153,904</u></u>

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2007 - lower than) the standard rate of corporation tax in the UK of 28.50% (2007 - 30.00%).

The differences are reconciled below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>1,003,788</u>	<u>497,462</u>
Standard rate corporation tax charge	286,080	149,239
Expenses not deductible for tax purposes	3,700	3,632
Capital allowances in excess of depreciation	(13,444)	(6,272)
Marginal relief	-	(6,695)
Total current tax for the year	<u><u>276,336</u></u>	<u><u>139,904</u></u>

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

7 Tangible fixed assets

	Plant, machinery and other assets £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
As at 1 January 2008	296,574	48,733	27,000	22,029	394,336
Additions	139,023	4,804	-	8,244	152,071
Disposals	(69,000)	(16,351)	-	-	(85,351)
As at 31 December 2008	<u>366,597</u>	<u>37,186</u>	<u>27,000</u>	<u>30,273</u>	<u>461,056</u>
Depreciation					
As at 1 January 2008	19,609	9,648	12,749	10,009	52,015
Eliminated on disposals	(14,950)	(9,502)	-	-	(24,452)
Charge for the year	52,096	7,748	9,000	6,061	74,905
As at 31 December 2008	<u>56,755</u>	<u>7,894</u>	<u>21,749</u>	<u>16,070</u>	<u>102,468</u>
Net book value					
As at 31 December 2008	<u>309,842</u>	<u>29,292</u>	<u>5,251</u>	<u>14,203</u>	<u>358,588</u>
As at 31 December 2007	<u>276,965</u>	<u>39,085</u>	<u>14,251</u>	<u>12,020</u>	<u>342,321</u>
Hire purchase agreements					

Included within the total net book value of tangible fixed assets is £105,400 (2007 - £52,900) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £26,350 (2007 - £13,800).

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

8 Stocks and work in progress

	2008 £	2007 £
Finished goods	<u>2,034,142</u>	<u>1,315,149</u>

9 Debtors

	2008 £	2007 £
Trade debtors	1,259,215	1,924,725
Other debtors	580,402	361,854
Prepayments and accrued income	45,844	78,403
	<u>1,885,461</u>	<u>2,364,982</u>

10 Creditors: Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	1,703,847	2,081,699
Obligations under finance leases and hire purchase contracts	39,525	11,040
Trade creditors	621,216	669,295
Corporation tax	276,336	139,904
Social security and other taxes	147,985	105,230
Other creditors	8,057	342,504
Accruals and deferred income	121,247	28,687
	<u>2,918,213</u>	<u>3,378,359</u>

11 Creditors: Amounts falling due after more than one year

	2008 £	2007 £
Obligations under finance leases and hire purchase contracts	<u>49,406</u>	<u>37,720</u>

Creditors includes the following liabilities, on which security has been given by the company:

	2008 £	2007 £
Total secured creditors for abbreviated accounts	<u>1,792,778</u>	<u>2,130,459</u>

Included within bank loans and overdraft is an amount of £845,895 (2007: £898,639) relating to Barclays Bank plc Sales Financing in respect of invoice discounting liabilities. The liabilities are secured.

Obligations under finance leases and hire purchase contract are secured on the assets to which they relate.

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

..... continued

12 Provisions for liabilities

	Deferred tax provision £
As at 1 January 2008	30,000
Deferred tax provision charged to the profit and loss account	5,000
As at 31 December 2008	<u>35,000</u>

Deferred tax

Deferred tax is provided at 28.00% (2007 - 30.00%).

	2008 £	2007 £
Accelerated capital allowances	<u>35,000</u>	<u>30,000</u>

13 Share capital

	2008 £	2007 £
Authorised		
Equity		
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>
Allotted, called up and fully paid		
Equity		
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit attributable to members of the company	722,452	343,558
Opening shareholders' funds	601,676	258,118
Closing shareholders' funds	<u>1,324,128</u>	<u>601,676</u>

15 Contingent liabilities

At the Balance Sheet date, the company had open letters of credit amounting to £174,878 (2007: £275,457) in respect of future stock transactions.

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

..... continued

16 Operating lease commitments

As at 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Land and Buildings		Other tangible assets	
	2008	2007	2008	2007
	£	£	£	£
Within one year	-	-	4,407	-
Within two and five years	137,810	-	35,040	27,594
Over five years	-	130,810	-	-
	<u>137,810</u>	<u>130,810</u>	<u>39,447</u>	<u>27,594</u>

17 Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £7,834 (2007 - £6,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

..... continued

18 Analysis of cash flows

	2008 £	2007 £
Net cash flow from operating activities		
Operating profit	1,114,346	608,412
Depreciation, amortisation and impairment charges	74,905	40,729
Loss on disposal of fixed assets	4,119	13,289
Increase in stocks	(718,993)	(759,464)
Decrease/(increase) in debtors	479,521	(1,572,248)
(Decrease)/increase in creditors	(124,479)	487,683
	<u>829,419</u>	<u>(1,181,599)</u>
Returns on investment and servicing of finance		
HP interest paid	(7,495)	(2,281)
Other interest paid	(106,134)	(110,438)
Interest received	3,071	1,769
	<u>(110,558)</u>	<u>(110,950)</u>
Taxation		
Taxation paid	<u>(139,904)</u>	<u>(16,000)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(156,228)	(135,981)
Sale of tangible fixed assets	6,780	825
	<u>(149,448)</u>	<u>(135,156)</u>
Financing		
Increase in loans and borrowings	-	1,494,703
Repayment of loans and borrowings	(333,417)	(389,909)
Capital element of hire purchase payments	(28,404)	(6,440)
	<u>(361,821)</u>	<u>1,098,354</u>

Distinction Doors Limited

Notes to the abbreviated accounts for the Year Ended 31 December 2008

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19 Analysis of net debt

	At start of period £	Cash flow £	Other non-cash changes £	At end of period £
Cash at bank and in hand	25,303	23,253	-	48,556
Bank overdraft	(976,905)	44,435	-	(932,470)
Cash and bank net funds	(951,602)	67,688	-	(883,914)
Debt due within one year	(1,104,794)	333,417	-	(771,377)
Debt due after one year	-	-	-	-
Finance leases	(48,760)	29,644	(69,815)	(88,931)
Change in debt	(1,153,554)	363,061	(69,815)	(860,308)
Net debt	(2,105,156)	430,749	(69,815)	(1,744,222)

20 Related parties

Related party transactions

Messrs K McDonald, A E Wright and J E Avill have given personal guarantees to secure certain of the borrowings of the company. Creditors due within one year includes £2,625 (2007 : £342,324) in respect of loans to the company by Messrs K McDonald, J E Avill and A Wright. Interest was charged on the loan from K McDonald amounting to £9,409 (2007 : £18,584).