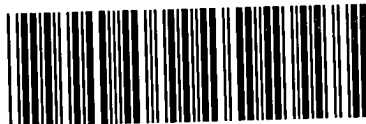


Company Registration No. 00413483 (England and Wales)

PRESTIGE DOORS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 DECEMBER 2016

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PRESTIGE DOORS PLC

COMPANY INFORMATION

Directors	Jalil Nicholas Kamaruddin Ahmad Fadzil Mohamad
Secretary	Robert Reah
Company number	00413483
Registered office	C/O PKF Littlejohn 2nd Floor 1 Westferry Circus Canary Wharf London E14 4HD
Auditor	BHP Clough & Company LLP New Chartford House Centurion Way Cleckheaton Bradford West Yorkshire BD19 3QB

PRESTIGE DOORS PLC

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of total comprehensive income	6
Group balance sheet	7
Company balance sheet	8
Group statement of changes in equity	9
Company statement of changes in equity	10
Consolidated statement of cash flows	11
Notes to the financial statements	12 - 30

PRESTIGE DOORS PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 DECEMBER 2016

The directors present the strategic report for the Period ended 30 December 2016.

Fair review of the business

Throughout 2016, the group has continued to strengthen its position in the market, both in terms of volume of doors sold and the reputation of the brand for quality and innovation. The customer base continues to grow, as does trade with existing customers. The gross profit margins have been maintained and in cases improved, as has the profit before tax. The directors are pleased with the continuing year-on-year turnover and profit growth.

Principal risks and uncertainties

The directors are constantly reviewing market conditions and competitor activity in order to maintain continued trade with existing customers and new customers.

Key performance indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover	£	36,312,509	3,4170,200
Turnover growth	%	6	6
Gross profit margin	%	24	23
Profit before tax (per P&L account)	£	1,654,260	1,747,273

By order of the board



Robert Reah

Secretary

26 September 2017

PRESTIGE DOORS PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 DECEMBER 2016

The directors present their annual report and financial statements for the Period ended 30 December 2016.

Principal activities

The principal activity of the group continued to be that of the sale and distribution of doors and other joinery products. The group also acts as an agent for the sales of certain pine products for which it earns commission. The company's principal activity is to act as the holding company for the group's trading subsidiaries. The company does not itself trade.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Jalil Nicholas Kamaruddin
Ahmad Fadzil Mohamad
Kamarudin Md Nor

(Resigned 1 September 2016)

Results and dividends

The results for the Period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Supplier payment policy

The group does not follow a specific standard or code for the payment of creditors. It agrees payment terms with its suppliers when it enters into purchase contracts. It then seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The amounts owed to the group's trade creditors at the year end represented 15 days (2014 - 15 days) based upon the ratio of trade creditors and inter company (trade) creditors at the end of the year to the amounts invoiced during the year by the trade creditors and inter company (trade) creditors

Financial instruments

Financial instruments

The group's principal financial instruments comprise trade debtors, trade finance, other loans, trade creditors and amounts owed to related undertakings. The main purpose of these instruments is to raise funds for the group's operations.

Liquidity risk

In respect of trade finance and other loans, the liquidity risk is managed by virtue of the flexible terms inherent within these facilities.

Trade creditors and amounts owed to related undertakings all arise from trading transactions and the liquidity risk is managed from income generation and the use of the group's borrowing facilities.

Credit risk

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Future developments

The directors have forecasted continued growth in turnover and profits in 2016.

PRESTIGE DOORS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 DECEMBER 2016

Auditor

In accordance with the company's articles, a resolution proposing that BHP Clough & Company LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

By order of the board



Robert Reah

Secretary

26 September 2017

PRESTIGE DOORS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTIGE DOORS PLC

We have audited the financial statements of Prestige Doors plc for the Period ended 30 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 December 2016 and of its profit for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

Going Concern - In forming our opinion we have considered the adequacy of disclosures made in accounting policies concerning going concern and continued support from major creditors. The financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern. Our opinion is not qualified in this respect.

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 Period for which the financial statements are prepared is consistent with the financial statements.

PRESTIGE DOORS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PRESTIGE DOORS PLC

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

BHP Clough & Company LLP.

Roger Thompson (Senior Statutory Auditor)
for and on behalf of BHP Clough & Company LLP, Statutory Auditor

BHP Clough & Company LLP, Statutory Auditor
New Chartford House
Centurion Way
Cleckheaton
Bradford
West Yorkshire
BD19 3QB

27 SEPTEMBER 2017

PRESTIGE DOORS PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 DECEMBER 2016

	Notes	period ended 31 December 2016 £	ended 31 December 2015 £
Turnover	3	36,312,509	34,170,200
Cost of sales		(27,560,187)	(26,224,965)
Gross profit		8,752,322	7,945,235
Administrative expenses		(6,783,555)	(6,285,302)
Operating profit	4	1,968,767	1,659,933
Interest receivable and similar income	8	149,516	158,280
Interest payable and similar charges	9	(464,023)	(70,940)
Profit before taxation		1,654,260	1,747,273
Taxation	10	(295,458)	(349,351)
Profit for the financial Period		1,358,802	1,397,922

Total comprehensive income for the Period is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PRESTIGE DOORS PLC

GROUP BALANCE SHEET

AS AT 30 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	101,532		93,808	
		<u>101,532</u>		<u>93,808</u>	
Current assets					
Stocks	15	7,470,015		5,975,359	
Debtors	16	12,674,763		9,676,878	
Cash at bank and in hand		594,991		372,531	
		<u>20,739,769</u>		<u>16,024,768</u>	
Creditors: amounts falling due within one year	17	(11,102,128)		(7,740,705)	
Net current assets		<u>9,637,641</u>		<u>8,284,063</u>	
Total assets less current liabilities		<u>9,739,173</u>		<u>8,377,871</u>	
Creditors: amounts falling due after more than one year	18	(3,305,854)		(3,305,854)	
Provisions for liabilities	20	(15,600)		(13,100)	
Net assets		<u><u>6,417,719</u></u>		<u><u>5,058,917</u></u>	
Capital and reserves					
Called up share capital	22	1,500,000		1,500,000	
Own shares		150,000		150,000	
Capital redemption reserve		140,250		140,250	
Profit and loss reserves		<u>4,627,469</u>		<u>3,268,667</u>	
Total equity		<u><u>6,417,719</u></u>		<u><u>5,058,917</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:



Jalil Nicholas Kamaruddin
Director


PRESTIGE DOORS PLC

COMPANY BALANCE SHEET

AS AT 30 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	13		100,000		100,000
Creditors: amounts falling due within one year	17				
		(92,363)		(92,363)	
Net current liabilities			(92,363)		(92,363)
Total assets less current liabilities			7,637		7,637
Creditors: amounts falling due after more than one year	18				
			(3,305,854)		(3,305,854)
Net liabilities			(3,298,217)		(3,298,217)
Capital and reserves					
Called up share capital	22		1,500,000		1,500,000
Own shares			150,000		150,000
Capital redemption reserve			140,250		140,250
Profit and loss reserves			(5,088,467)		(5,088,467)
Total equity			(3,298,217)		(3,298,217)

The financial statements were approved by the board of directors and authorised for issue on 26 September 2017 and are signed on its behalf by:



 Jalil Nicholas Kamaruddin
 Director

Company Registration No. 004413483

PRESTIGE DOORS PLC

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 DECEMBER 2016

	Notes	Share capital £	Capital redemption reserve £	Own shares £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,500,000	140,250	150,000	1,870,745	3,660,995
Period ended 31 December 2015:						
Profit and total comprehensive income for the period		-	-	-	1,397,922	1,397,922
Balance at 31 December 2015		1,500,000	140,250	150,000	3,268,667	5,058,917
Period ended 30 December 2016:						
Profit and total comprehensive income for the period		-	-	-	1,358,802	1,358,802
Balance at 30 December 2016		1,500,000	140,250	150,000	4,627,469	6,417,719

PRESTIGE DOORS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 DECEMBER 2016

	Notes	Share capital £	Capital redemption reserve £	Own shares £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
Year ended 31 December 2015:						
Profit and total comprehensive income for the year		-	-	-	-	-
Balance at 31 December 2015		1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
Period ended 30 December 2016:						
Profit and total comprehensive income for the period		-	-	-	-	-
Balance at 30 December 2016		1,500,000	140,250	150,000	(5,088,467)	(3,298,217)

PRESTIGE DOORS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(435,603)		1,332,694
Interest paid			(98,259)		(70,940)
Income taxes paid			(420,355)		(423,683)
Net cash (outflow)/inflow from operating activities			(954,217)		838,071
Investing activities					
Purchase of tangible fixed assets		(53,596)		(25,787)	
Loans to related undertakings		(2,236,713)		-	
Interest received		118,273		32,544	
Foreign exchange (losses)/gains		(365,764)		125,736	
Net cash (used in)/generated from investing activities			(2,537,800)		132,493
Financing activities					
Repayment of borrowings		2,905,695		(1,280,492)	
Repayment of bank loans		894,011		244,549	
Purchase of derivatives		(85,229)		273,628	
Net cash generated from/(used in) financing activities			3,714,477		(762,315)
Net increase in cash and cash equivalents			222,460		208,249
Cash and cash equivalents at beginning of Period			372,531		164,282
Cash and cash equivalents at end of Period			594,991		372,531

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

Company information

Prestige Doors plc ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is C/O PKF Littlejohn 2nd Floor, 1 Westferry Circus, Canary Wharf, London, E14 4HD.

The group consists of Prestige Doors plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2015 - £0 profit).

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Prestige Doors plc and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 December 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The board of directors have concluded that severe long term restrictions substantially hinder the exercise of rights of the company over the management of Golden Pharos USA Inc. Furthermore, there is reasonable doubt over whether the company holds a majority of the voting rights in that company's share capital.

Accordingly the decision has been made to exclude Golden Pharos USA Inc from consolidation and treat it as an undertaking in which the company has a participating interest, rather than as a subsidiary undertaking.

The consolidated financial statements incorporate those of Prestige Doors plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 December 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	straight line over 3,5 or 8 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

1 Accounting policies

(Continued)

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover		
Sale of goods	36,312,509	34,170,200

Other significant revenue

Interest income	149,516	32,544
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Turnover analysed by geographical market

	2016 £	2015 £
Sales - UK	36,312,509	34,170,200

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

4 Operating profit

	2016 £	2015 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	45,872	46,728
Cost of stocks recognised as an expense	25,111,127	23,996,802
Operating lease charges	454,928	500,104
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the company's subsidiaries	17,950	17,625
	<u> </u>	<u> </u>
	21,950	21,625
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	3,050	3,050
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the Period was:

	2016 Number	2015 Number
	71	67
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	4,183,652	3,938,779
Social security costs	254,288	227,735
Pension costs	45,280	43,329
	<u> </u>	<u> </u>
	4,483,220	4,209,843
	<u> </u>	<u> </u>

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 DECEMBER 2016

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	1,766,939	1,804,109
Company pension contributions to defined contribution schemes	21,468	20,604
	<u>1,788,407</u>	<u>1,824,713</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>1,428,000</u>	<u>1,408,000</u>
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The number of directors who were accruing benefits under money purchase pension schemes was 1 (2015 - 1).

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	31,750	7
Other income from investments		
Exchange differences	-	125,736
Gains on financial instruments measured at fair value through profit or loss	117,766	32,537
Total income	<u>149,516</u>	<u>158,280</u>

Investment income includes the following:

Interest on financial assets measured at fair value through profit or loss	<u>117,766</u>	<u>32,537</u>
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9 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	70,915	63,132
Interest on invoice finance arrangements	27,344	7,561
	<u>98,259</u>	<u>70,693</u>
Other finance costs:		
Exchange differences	365,764	-
Other interest	-	247
Total finance costs	<u>464,023</u>	<u>70,940</u>

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	342,500	357,000
Adjustments in respect of prior periods	(49,542)	(14,649)
Total current tax	<u>292,958</u>	<u>342,351</u>
Deferred tax		
Origination and reversal of timing differences	<u>2,500</u>	<u>7,000</u>
Total tax charge	<u>295,458</u>	<u>349,351</u>

The actual charge for the Period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>1,654,260</u>	<u>1,747,273</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	330,852	349,455
Tax effect of expenses that are not deductible in determining taxable profit	6,169	8,777
Change in unrecognised deferred tax assets	398	11,396
Adjustments in respect of prior years	-	164
Effect of change in corporation tax rate	-	4,083
Other non-reversing timing differences	6,191	234
Under/(over) provided in prior years	(49,542)	(14,813)
Deferred tax adjustments in respect of prior years	-	47
	<u>1,390</u>	<u>(9,992)</u>
Tax expense for the period	<u>295,458</u>	<u>349,351</u>

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2016 and 30 December 2016	<u>283,485</u>
Amortisation and impairment	
At 1 January 2016 and 30 December 2016	<u>283,485</u>

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

11 Intangible fixed assets

(Continued)

Carrying amount

At 30 December 2016

-

At 31 December 2015

-

The company had no intangible fixed assets at 30 December 2016 or 30 December 2015.

12 Tangible fixed assets

Group

Plant and machinery

£

Cost

At 1 January 2016

476,916

Additions

53,596

At 30 December 2016

530,512

Depreciation and impairment

At 1 January 2016

383,108

Depreciation charged in the Period

45,872

At 30 December 2016

428,980

Carrying amount

At 30 December 2016

101,532

At 31 December 2015

93,808

The company had no tangible fixed assets at 30 December 2016 or 30 December 2015.

13 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	27	-	-	100,000	100,000

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

14 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	12,381,634	9,449,648	-	-
Instruments measured at fair value through profit or loss	117,766	32,537	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	13,778,882	10,301,556	3,398,217	3,398,217

15 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	7,470,015	5,975,359	-	-

16 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	10,095,994	9,322,466	-	-
Derivative financial instruments	117,766	32,537	-	-
Other debtors	2,285,640	127,182	-	-
Prepayments and accrued income	175,363	194,693	-	-
	12,674,763	9,676,878	-	-

17 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans and overdrafts	19	3,885,561	2,991,550	-	-
Other borrowings	19	3,314,549	408,854	-	-
Trade creditors		1,431,569	1,435,081	-	-
Amounts due to group undertakings		-	-	92,363	92,363
Corporation tax payable		41,574	168,970	-	-
Other taxation and social security		587,526	576,033	-	-
Other creditors		6,201	6,201	-	-
Accruals and deferred income		1,835,148	2,154,016	-	-
		11,102,128	7,740,705	92,363	92,363

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

18 Creditors: amounts falling due after more than one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts due to associate undertakings	3,305,854	3,305,854	3,305,854	3,305,854

19 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £	2015 £
Bank loans	3,885,561	2,991,550	-	-
Other loans	3,314,549	408,854	-	-
	7,200,110	3,400,404	-	-
Payable within one year	7,200,110	3,400,404	-	-

Bank loans, which comprise short term trade finance loans, are secured by a debenture including fixed and floating charge over the assets of the company.

Other loans comprise advances from HSBC Invoice Finance (UK) Ltd, who have a fixed charge over the assets and book debts of the company, both present and future, for all amounts advanced.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Accelerated capital allowances	15,600	13,100

The company has no deferred tax assets or liabilities.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

20 Deferred taxation

(Continued)

	Group 2016 £	Company 2016 £
Movements in the Period:		
Liability at 1 January 2016	13,100	-
Charge to profit or loss	2,500	-
Liability at 30 December 2016	15,600	-

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	45,280	43,329

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company 2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,500,000 Ordinary shares of £1 each	1,500,000	1,500,000

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	543,825	551,828	-	-
Between two and five years	486,784	996,444	-	-
	<u>1,030,609</u>	<u>1,548,272</u>	<u>-</u>	<u>-</u>

24 Financial commitments, guarantees and contingent liabilities

The group has given an unlimited composite company guarantee to HSBC Bank plc in respect of the liabilities of Birstall 140 Limited, a related company. The amount guaranteed is £3,675,000.

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>1,835,181</u>	<u>1,877,227</u>

Transactions with related parties

	Management charges 2016 £	2015 £
Group		
Entities with control, joint control or significant influence over the company	<u>299,000</u>	<u>210,000</u>

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

25 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
Group	£	£
Entities with control, joint control or significant influence over the group	3,365,854	3,328,854

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties
	2016
Group	Balance
	£
Entities over which the group has control, joint control or significant influence	2,133,737

No guarantees have been given or received.

26 Controlling party

The Board of Directors regard Ahmad Fadzil Mohamad, a director of the company, as the ultimate controlling party.

Ultimate parent undertaking

The directors regard AFM Capital Sdn Bhd, a company incorporated and registered in Malaysia, as the ultimate parent company by virtue of its participating interest and dominant influence over the affairs of the group. Copies of the ultimate parent's Group Financial Statements are available from:

The Secretary
Prestige Doors plc
XL Joinery Building
Bradford Road
Batley
West Yorkshire
WF17 8NE

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

27 Subsidiaries

Details of the company's subsidiaries at 30 December 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Golden Pharos (Europe) Limited	United Kingdom	Sale and distribution of timber doors and related products	Ordinary	100.00	
XL Joinery Limited	United Kingdom	Sale and distribution of timber doors and related products	Ordinary	100.00	
Golden Pharos Leisure Limited	United Kingdom	Dormant	Ordinary	100.00	
Weatherall Products Limited	United Kingdom	Dormant	Ordinary	100.00	
World Woods Limited	United Kingdom	Dormant	Ordinary	100.00	

28 Associates

Details of associates at 30 December 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Golden Pharos USA Inc	United States of America	Commission Agent for the timber trade	Common Stock	49.00	

In the company's financial statements the investment in Golden Pharos (Europe) Limited is stated at cost. In the opinion of the directors the new asset value of the subsidiary is in excess of cost.

Prestige Doors plc holds the investment in Golden Pharos (Europe) Limited which holds the remainder of the above investments.

The directors have no information relating to Golden Pharos USA Inc, and believe that the company is in liquidation.

The accounting period end of the above undertakings is 31 December 2016.

PRESTIGE DOORS PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 DECEMBER 2016

29 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	1,358,802	1,397,922
Adjustments for:		
Taxation charged	295,458	349,351
Finance costs	98,259	70,940
Investment income	216,248	(158,280)
Depreciation and impairment of tangible fixed assets	45,872	46,728
Movements in working capital:		
(Increase) in stocks	(1,494,656)	(600,795)
(Increase) in debtors	(644,700)	(717,055)
(Decrease)/increase in creditors	(310,886)	943,883
Cash (absorbed by)/generated from operations	(435,603)	1,332,694