

Company Registration No. 00413483 (England and Wales)

**PRESTIGE DOORS PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 29 DECEMBER 2017**



# PRESTIGE DOORS PLC

## COMPANY INFORMATION

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

# PRESTIGE DOORS PLC

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# PRESTIGE DOORS PLC

## STRATEGIC REPORT

**FOR THE PERIOD ENDED 29 DECEMBER 2017**

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The directors present the strategic report for the Period ended 29 December 2017.

### **Fair review of the business**

Throughout 2017, the group has continued to strengthen its position in the market, both in terms of volume of doors sold and the reputation and recognition of the brand for quality and innovation.

The customer base continues to grow, as does ongoing trade with existing customers.

The underlying gross profit margins have been maintained and in cases improved before then incorporating the effect of adverse exchange rates over the year. The directors are pleased with the continuing year-on-year turnover growth and will continue to plan for further growth.

The group changed its trading premises during the year, hence the exceptional costs in the profit and loss account.

### **Principal risks and uncertainties**

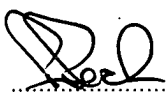
The directors are constantly reviewing market conditions and competitor activity in order to maintain continued trade with existing customers and new customers.

### **Key performance indicators**

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

	Unit	2017	2016
Turnover	£	39,074,636	36,312,509
Turnover growth	%	8	6
Gross profit margin	%	22	24
Profit before tax (per P&L account)	£	1,133,833	1,654,260

By order of the board



Robert Reah

Secretary

27 September 2018

# **PRESTIGE DOORS PLC**

## **DIRECTORS' REPORT**

### ***FOR THE PERIOD ENDED 29 DECEMBER 2017***

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The directors present their annual report and financial statements for the Period ended 29 December 2017.

#### **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

#### **Results and dividends**

The results for the Period are set out on page 7.

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

#### **Supplier payment policy**

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 17 day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **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 2018.

# PRESTIGE DOORS PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 29 DECEMBER 2017**

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### Auditor

BHP LLP replaced BHP Clough & Company LLP as auditor during the year. A resolution proposing that BHP 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 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 is aware of that information.

By order of the board



Robert Reah

Secretary

Date: 27 September 2018

# PRESTIGE DOORS PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PRESTIGE DOORS PLC

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#### Opinion

We have audited the financial statements of Prestige Doors plc (the 'parent company') and its subsidiaries (the 'group') for the Period ended 29 December 2017 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, the company statement of cash flows 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 United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 29 December 2017 and of the group's 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.

#### 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.

#### 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.

#### 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 group's or the parent 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.

# **PRESTIGE DOORS PLC**

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

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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

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.

### **Responsibilities of directors**

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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.



# PRESTIGE DOORS PLC

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

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### **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.

### **Use of our 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 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.

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

BHP LLP

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

27-02-2018

# PRESTIGE DOORS PLC

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 DECEMBER 2017

		Period ended 29 December 2017 £	Period ended 30 December 2016 £
	Notes		
Turnover	3	39,074,636	36,312,509
Cost of sales		(30,501,331)	(27,560,187)
<b>Gross profit</b>		<b>8,573,305</b>	<b>8,752,322</b>
Administrative expenses		(6,926,232)	(6,783,555)
Exceptional item	4	(153,334)	-
<b>Operating profit</b>	5	<b>1,493,739</b>	<b>1,968,767</b>
Interest receivable and similar income	9	128,157	149,516
Interest payable and similar expenses	10	(488,063)	(464,023)
<b>Profit before taxation</b>		<b>1,133,833</b>	<b>1,654,260</b>
Taxation	11	(220,255)	(295,458)
<b>Profit for the financial Period</b>		<b>913,578</b>	<b>1,358,802</b>

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 29 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	876,486		101,532	
		<u>876,486</u>		<u>101,532</u>	
<b>Current assets</b>					
Stocks	16	6,550,906		7,470,015	
Debtors	17	15,687,091		12,674,763	
Cash at bank and in hand		475,807		594,991	
		<u>22,713,804</u>		<u>20,739,769</u>	
<b>Creditors: amounts falling due within one year</b>	19	(11,518,680)		(11,102,128)	
<b>Net current assets</b>		<u>11,195,124</u>		<u>9,637,641</u>	
<b>Total assets less current liabilities</b>		<u>12,071,610</u>		<u>9,739,173</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	(4,674,413)		(3,305,854)	
<b>Provisions for liabilities</b>	21	(65,900)		(15,600)	
<b>Net assets</b>		<u><u>7,331,297</u></u>		<u><u>6,417,719</u></u>	
<b>Capital and reserves</b>					
Called up share capital	23	1,500,000		1,500,000	
Own shares		150,000		150,000	
Capital redemption reserve		140,250		140,250	
Profit and loss reserves		5,541,047		4,627,469	
<b>Total equity</b>		<u><u>7,331,297</u></u>		<u><u>6,417,719</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 27<sup>th</sup> September 2018 and are signed on its behalf by:

  
 .....  
 Jalil Nicholas Kamaruddin  
 Director

# PRESTIGE DOORS PLC

## COMPANY BALANCE SHEET

AS AT 29 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	14		100,000		100,000
<b>Creditors: amounts falling due within one year</b>	19				
		(92,363)		(92,363)	
Net current liabilities			(92,363)		(92,363)
<b>Total assets less current liabilities</b>			7,637		7,637
<b>Creditors: amounts falling due after more than one year</b>	18				
			(3,305,854)		(3,305,854)
<b>Net liabilities</b>			(3,298,217)		(3,298,217)
<b>Capital and reserves</b>					
Called up share capital	23		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)
<b>Total equity</b>			(3,298,217)		(3,298,217)

The financial statements were approved by the board of directors and authorised for issue on 21 September 2018 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 29 DECEMBER 2017

	Notes	Share capital £	Capital redemption reserve £	Own shares £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		1,500,000	140,250	150,000	3,268,667	5,058,917
<b>Period ended 30 December 2016:</b>						
Profit and total comprehensive income for the period		-	-	-	1,358,802	1,358,802
<b>Balance at 30 December 2016</b>		1,500,000	140,250	150,000	4,627,469	6,417,719
<b>Period ended 29 December 2017:</b>						
Profit and total comprehensive income for the period		-	-	-	913,578	913,578
<b>Balance at 29 December 2017</b>		1,500,000	140,250	150,000	5,541,047	7,331,297

# PRESTIGE DOORS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 DECEMBER 2017

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 January 2016</b>	1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
<b>Period ended 30 December 2016:</b>					
Profit and total comprehensive income for the period	-	-	-	-	-
<b>Balance at 30 December 2016</b>	1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
<b>Period ended 29 December 2017:</b>					
Profit and total comprehensive income for the period	-	-	-	-	-
<b>Balance at 29 December 2017</b>	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 29 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	30		962,961		(1,167,131)
Interest paid			(168,625)		(98,259)
Income taxes paid			(200,677)		(420,355)
<b>Net cash inflow/(outflow) from operating activities</b>			593,659		(1,685,745)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(818,938)		(53,596)	
Loans to related undertakings		(1,612,404)		(2,236,713)	
Interest received		159,400		118,273	
Foreign exchange (losses)/gains		14,197		-	
<b>Net cash used in investing activities</b>			(2,257,745)		(2,172,036)
<b>Financing activities</b>					
Repayment of borrowings		46,699		2,905,695	
Proceeds of new bank loans		1,763,542		-	
Repayment of bank loans		(632,087)		894,011	
Purchase of derivatives		318,708		(85,229)	
<b>Net cash generated from financing activities</b>			1,496,862		3,714,477
<b>Net decrease in cash and cash equivalents</b>			(167,224)		(143,304)
Cash and cash equivalents at beginning of Period			594,991		372,531
Effect of foreign exchange rates			(15,218)		365,764
<b>Cash and cash equivalents at end of Period</b>			412,549		594,991
<b>Relating to:</b>					
Cash at bank and in hand			475,807		594,991
Bank overdrafts included in creditors payable within one year			(63,258)		-

# **PRESTIGE DOORS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 29 DECEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

Prestige Doors plc ("the company") is a private 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 of the 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 £nil (2016 - £nil).



# **PRESTIGE DOORS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE PERIOD ENDED 29 DECEMBER 2017**

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#### **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 29 December 2017.

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 29 December 2017. 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 29 DECEMBER 2017

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### 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.

However, the future of the company may be dependent upon the continued support of its major creditors. The directors anticipate that support will continue, although this has not been formally confirmed.

#### 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 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is now fully amortised.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 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.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.7 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.

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.

#### 1.8 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.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

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### 1 Accounting policies

(Continued)

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.

#### 1.9 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 the lower of replacement cost and 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.

#### 1.10 Cash at bank and in hand

Cash at bank and in hand 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.

#### 1.11 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 29 DECEMBER 2017

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### 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 payments 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 29 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.12 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.

#### **1.13 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.

#### **Hedge accounting**

The group has recognised changes in the fair value of derivatives that qualify as fair value hedges, to the extent to which are in place at the yearend to meet highly probable transactions for the purchase of goods for resale where the order or contract was in place prior to the yearend. The proportion of the gain or loss on the financial instrument held at fair value through the profit and loss account relating to the order or contract values stated in foreign currency is not recognised at the yearend, but will constitute part of the cost of the transactions at the date of settlement.

#### **1.14 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.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 1 Accounting policies

(Continued)

#### 1.15 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.

#### 1.16 Retirement benefits

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

#### 1.17 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.

#### 1.18 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:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Sale of goods	39,074,636	36,312,509
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	128,157	31,750
	<u>          </u>	<u>          </u>

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	Sales - UK	39,074,636	36,312,509
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Exceptional costs</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Premises moving expenses	153,334	-
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Operating profit</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Operating profit for the period is stated after charging:		
	Depreciation of owned tangible fixed assets	43,984	45,872
	Cost of stocks recognised as an expense	27,731,975	25,111,127
	Operating lease charges	686,659	454,928
		<u>          </u>	<u>          </u>
	Exchange differences recognised in profit or loss during the Period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £14,197 (2016 - £365,764).		
<b>6</b>	<b>Auditor's remuneration</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	4,000	4,000
	Audit of the financial statements of the company's subsidiaries	18,500	17,950
		<u>          </u>	<u>          </u>
		22,500	21,950
		<u>          </u>	<u>          </u>
	<b>For other services</b>		
	Taxation compliance services	3,500	3,050
	Services relating to corporate finance transactions	40,000	-
		<u>          </u>	<u>          </u>
		43,500	3,050
		<u>          </u>	<u>          </u>



# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 29 DECEMBER 2017

#### 7 Employees

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

Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
80	71	-	-
<u>80</u>	<u>71</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	3,868,970	4,183,652	-	-
Social security costs	269,834	254,288	-	-
Pension costs	66,481	45,280	-	-
	<u>4,205,285</u>	<u>4,483,220</u>	<u>-</u>	<u>-</u>

#### 8 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	1,116,112	1,766,939
Company pension contributions to defined contribution schemes	23,085	21,468
	<u>1,139,197</u>	<u>1,788,407</u>

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

Remuneration for qualifying services	<u>832,092</u>	<u>1,428,000</u>
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The number of directors who were accruing benefits under money purchase pension schemes was 1 (2015 - 1).

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 9 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Other interest income	128,157	31,750
<b>Other income from investments</b>		
Gains on financial instruments measured at fair value through profit or loss	-	117,766
<b>Total income</b>	<u>128,157</u>	<u>149,516</u>

Investment income includes the following:

Gains on financial instruments measured at fair value through profit or loss	-	117,766
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### 10 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	102,502	70,915
Interest on invoice finance arrangements	65,776	27,344
	<u>168,278</u>	<u>98,259</u>
<b>Other finance costs:</b>		
Losses on financial instruments measured at fair value through profit or loss	333,635	-
Exchange differences	(14,197)	365,764
Other interest	347	-
<b>Total finance costs</b>	<u>488,063</u>	<u>464,023</u>

Losses on financial instruments measured at fair value through profit or loss, have been reduced by £226,595 in respect of hedged items.

### 11 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	171,500	342,500
Adjustments in respect of prior periods	(1,545)	(49,542)
<b>Total current tax</b>	<u>169,955</u>	<u>292,958</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	50,300	2,500
<b>Total tax charge for the period</b>	<u>220,255</u>	<u>295,458</u>

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 11 Taxation

(Continued)

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:

	2017 £	2016 £
Profit before taxation	1,133,833	1,654,260
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	215,428	330,852
Tax effect of expenses that are not deductible in determining taxable profit	4,576	6,169
Change in unrecognised deferred tax assets	520	398
Effect of change in corporation tax rate	2,937	-
Other non-reversing timing differences	6,301	6,191
Under/(over) provided in prior years	(1,545)	(49,542)
Other	(5,628)	1,390
Effect of change in deferred tax rates	(2,334)	-
Taxation charge for the period	220,255	295,458

### 12 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 31 December 2016 and 29 December 2017	283,485
<b>Amortisation and impairment</b>	
At 31 December 2016 and 29 December 2017	283,485
<b>Carrying amount</b>	
At 29 December 2017	-
At 30 December 2016	-

The company had no intangible fixed assets at 29 December 2017 or 30 December 2016.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 13 Tangible fixed assets

Group	Plant and machinery
	£
<b>Cost</b>	
At 31 December 2016	530,512
Additions	818,938
	<hr/>
At 29 December 2017	1,349,450
	<hr/>
<b>Depreciation and impairment</b>	
At 31 December 2016	428,980
Depreciation charged in the Period	43,984
	<hr/>
At 29 December 2017	472,964
	<hr/>
<b>Carrying amount</b>	
At 29 December 2017	876,486
	<hr/>
At 30 December 2016	101,532
	<hr/>

The company had no tangible fixed assets at 29 December 2017 or 30 December 2016.

### 14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	27	-	-	100,000	100,000
		<hr/>	<hr/>	<hr/>	<hr/>

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 31 December 2016 and 29 December 2017	100,000
	<hr/>
<b>Carrying amount</b>	
At 29 December 2017	100,000
	<hr/>
At 30 December 2016	100,000
	<hr/>

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2017

### 15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	14,878,630	12,381,634	-	-
Instruments measured at fair value through profit or loss	-	117,766	-	-
	<u>14,878,630</u>	<u>12,500,000</u>	<u>-</u>	<u>-</u>
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	200,942	-	-	-
Measured at amortised cost	15,168,108	13,778,882	3,398,217	3,398,217
	<u>15,168,108</u>	<u>13,778,882</u>	<u>3,398,217</u>	<u>3,398,217</u>

### 16 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	6,550,906	7,470,015	-	-
	<u>6,550,906</u>	<u>7,470,015</u>	<u>-</u>	<u>-</u>

### 17 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	11,012,340	10,095,994	-	-
Derivative financial instruments	-	117,766	-	-
Other debtors	3,866,290	2,285,640	-	-
Prepayments and accrued income	808,461	175,363	-	-
	<u>15,687,091</u>	<u>12,674,763</u>	<u>-</u>	<u>-</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	20	1,368,559	-	-	-
Amounts due to associated undertakings		3,305,854	3,305,854	3,305,854	3,305,854
		<u>4,674,413</u>	<u>3,305,854</u>	<u>3,305,854</u>	<u>3,305,854</u>

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 29 DECEMBER 2017

#### 19 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	20	3,711,715	3,885,561	-	-
Other borrowings	20	3,694,883	3,314,549	-	-
Trade creditors		1,505,979	1,431,569	-	-
Amounts due to group undertakings		-	-	92,363	92,363
Corporation tax payable		10,852	41,574	-	-
Other taxation and social security		813,191	587,526	-	-
Derivative financial instruments		200,942	-	-	-
Other creditors		6,201	6,201	-	-
Accruals and deferred income		1,574,917	1,835,148	-	-
		<u>11,518,680</u>	<u>11,102,128</u>	<u>92,363</u>	<u>92,363</u>

#### 20 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	5,017,016	3,885,561	-	-
Bank overdrafts	63,258	-	-	-
Other loans	3,694,883	3,314,549	-	-
	<u>8,775,157</u>	<u>7,200,110</u>	<u>-</u>	<u>-</u>
Payable within one year	7,406,598	7,200,110	-	-
Payable after one year	1,368,559	-	-	-
	<u>8,775,157</u>	<u>7,200,110</u>	<u>-</u>	<u>-</u>

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.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 21 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 2017 £	Liabilities 2016 £
<b>Group</b>		
Accelerated capital allowances	65,900	15,600

The company has no deferred tax assets or liabilities.

	Group 2017 £	Company 2017 £
<b>Movements in the Period:</b>		
Liability at 31 December 2016	15,600	-
Charge to profit or loss	50,300	-
Liability at 29 December 2017	65,900	-

The deferred tax liability set out above is not expected to reverse within 12 months, and relates to accelerated capital allowances, net of short term timing differences in relation to retirement benefit obligations.

### 22 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	66,481	45,280

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.

### 23 Share capital

	Group and company 2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,500,000 Ordinary shares of £1 each	1,500,000	1,500,000

### 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 (2016 - £3,675,000).

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2017

### 25 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 2017 £	2016 £	Company 2017 £	2016 £
Within one year	958,910	543,825	-	-
Between two and five years	2,357,822	486,784	-	-
In over five years	4,165,000	-	-	-
	<u>7,481,732</u>	<u>1,030,609</u>	<u>-</u>	<u>-</u>

### 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 Limited  
Holden Ing Way  
Birstall  
Batley  
West Yorkshire  
WF17 9AD



# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 27 Subsidiaries

Details of the company's subsidiaries at 29 December 2017 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
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
XL Joinery Limited	United Kingdom	Sale and distribution of timber doors and related products	Ordinary	100.00

### 28 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	1,185,474	1,835,181

#### Transactions with related parties

During the Period the group entered into the following transactions with related parties:

Group	Rents payable	
	2017 £	2016 £
Other related parties	205,000	-

Group	Management charges		Interest receivable	
	2017 £	2016 £	2017 £	2016 £
Other related parties	210,000	299,000	127,826	31,243

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

### 28 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017 £	2016 £
<b>Group</b>		
Other related parties	3,350,854	3,365,854

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2017 Balance £	2016 Balance £
<b>Group</b>		
Other related parties	3,847,552	2,133,737

### 29 Associates

Details of associates at 29 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% 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 2017.

# PRESTIGE DOORS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 DECEMBER 2017

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### 30 Cash generated from group operations

	2017 £	2016 £
Profit for the Period after tax	913,578	1,358,802
Adjustments for:		
Taxation charged	220,255	295,458
Finance costs	502,260	464,023
Investment income	(142,354)	(149,516)
Depreciation and impairment of tangible fixed assets	43,984	45,872
Foreign exchange gains on cash equivalents	15,218	(731,528)
Movements in working capital:		
Decrease/(increase) in stocks	919,109	(1,494,656)
(Increase) in debtors	(1,548,933)	(644,700)
Increase/(decrease) in creditors	39,844	(310,886)
<b>Cash generated from/(absorbed by) operations</b>	<b>962,961</b>	<b>(1,167,131)</b>