Registered number: 00413483

PRESTIGE DOORS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PRESTIGE DOORS LIMITED

COMPANY INFORMATION

Directors	J N Kamaruddin A F Mohamad A B Abdul-Halim U S Ungku-Ahmad
Company secretary	L Hodgson
Registered number	00413483
Registered office	C/O Pkf Littlejohn 15 Westferry Circus London E14 4HD
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Business review

The ongoing impact of Covid 19 on global supply chains and shipping have continued to supress turnover and margins.

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.

The group is exposed to exchange rate fluctuations on imported goods. Foreign exchange risks are somewhat mitigated by the use of foreign currency bank accounts and hedging.

Whilst the group is reliant on a relatively small number of customers, the directors believe that the group's trade will continue at established levels.

Key performance indicators

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

	Unit	2021	2020
Turnover	£	1,223,018	16,137,690
Turnover growth	%	-92	-57
Gross profit margin	%	7	18
(Loss)/profit before tax (per P&L account)	£	(27,796)	(7,947,519)

This report was approved by the board on 22 December 2022 and signed on its behalf.

....

L Hodgson
Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Results and dividends

The loss for the year, after taxation, amounted to £27,796 (2020 - loss £7,947,519).

No ordinary dividends were paid.

Directors

The directors who served during the year were:

J N Kamaruddin
A F Mohamad
A B Abdul-Halim
U S Ungku-Ahmad

Future developments

The Group will continue to invest in developing its product and service offering to enable further growth. The Group strongly believes in minimising its impact on the environment and will continue to adopt low carbon practices and offer sustainably sourced products.

Financial instruments

The Group's principal financial instruments comprise trade debtors, trade creditors and amounts owed to related undertakings. The main purpose of these instruments is to raise funds for the company's operations and to finance them. Owing to the nature of the financial instruments used there is no exposure to price risk.

The Group's approach to managing other risks applicable to the financial instruments concerned is set out below.

Liquidity risk

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, credit and cash flow risks are managed by policies concerning the credit offered to customers and the monitoring of amounts outstanding in terms of time and credit limits.

Matters covered in the Group strategic report

The following information has been included in the strategic report:

- A business review

- Principal risks and uncertainties

- Financial and other key performance indicators

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Going concern

During the year, the COVID-19 virus continued to be categorised as a global pandemic and the UK Government maintained restrictions on certain activities and behaviours in an effort to prevent the virus' spread and limit its longer term impact.

Whilst these restrictions have caused the Group to assess and adapt its working practices to continue to operate without interruption, the directors do not consider that the circumstances have caused any material change to the Group's ability to trade, nor affect its status as a Going Concern.

The directors also believe the United Kingdom's withdrawal from the European Union will not have a material impact on the Group.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 December 2022 and signed on its behalf.

....
L Hodgson
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTIGE DOORS LIMITED

Opinion

We have audited the financial statements of Prestige Doors Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In forming our opinion, we have considered the adequacy of disclosures made in accounting policies concerning

going concern. 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group 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 Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' 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 Auditors' 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 Group financial statements .

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified and assessed the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

We obtained an understanding of the legal and regulatory frameworks that the Group and the parent company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK financial reporting standards, Tax and Pensions legislation, and distributable profits legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's and parent company's ability to operate or to avoid a material penalty.

As a result of performing the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue and profit recognition. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTIGE DOORS LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Abdultaiyab Pisavadi BSc FCA (Senior statutory auditor)

for and on behalf of
Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

14th Floor
33 Cavendish Square
London
W1G 0PW

22 December 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	1,223,018	16,137,690
Cost of sales		(1,132,562)	(13,159,710)
Gross profit		90,456	2,977,980
Administrative expenses		(331,427)	(3,856,520)
Other operating income	5	214,000	514,359
Operating loss		(26,971)	(364,181)
Amounts written off investments		-	(7,606,389)
Interest receivable and similar income	9	-	58,000
Interest payable and similar expenses	10	(825)	(103,933)
Loss before tax		(27,796)	(8,016,503)
Tax on loss	11	-	68,984
Loss for the financial year		(27,796)	(7,947,519)
Loss for the year attributable to:			
Owners of the parent		(27,796)	(7,947,519)
		(27,796)	(7,947,519)

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 18 to 34 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	12		8		8
			8		8
Current assets					
Stocks	16	28,758		9,887	
Debtors: amounts falling due within one year	17	4,180,297		4,273,539	
Cash at bank and in hand	18	37,400		383,640	
		4,246,455		4,667,066	
Creditors: amounts falling due within one year	19	(1,191,347)		(1,584,162)	
Net current assets			3,055,108		3,082,904
Total assets less current liabilities			3,055,116		3,082,912
Creditors: amounts falling due after more than one year	20		(3,305,854)		(3,305,854)
Provisions for liabilities					
Net liabilities			(250,738)		(222,942)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	22	1,500,000	1,500,000
Capital redemption reserve		140,250	140,250
Other reserves		150,000	150,000
Profit and loss account		(2,040,988)	(2,013,192)
		(250,738)	(222,942)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2022.

....
J N Kamaruddin
Director

The notes on pages 18 to 34 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Investments	13		100,000		100,000
Creditors: amounts falling due within one year	19	(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	20		(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
Capital redemption reserve			140,250		140,250
Other reserves			150,000		150,000
Profit and loss account			(5,088,467)		(5,088,467)
			(3,298,217)		(3,298,217)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2022.

....
J N Kamaruddin
Director

The notes on pages 18 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	1,500,000	140,250	150,000	5,934,327	7,724,577
Comprehensive income for the year					
Loss for the year	-	-	-	(7,947,519)	(7,947,519)
At 1 January 2021	1,500,000	140,250	150,000	(2,013,192)	(222,942)
Comprehensive income for the year					
Loss for the year	-	-	-	(27,796)	(27,796)
At 31 December 2021	1,500,000	140,250	150,000	(2,040,988)	(250,738)

The notes on pages 18 to 34 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
Total comprehensive income for the year	-	-	-	-	-
At 1 January 2021	1,500,000	140,250	150,000	(5,088,467)	(3,298,217)
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2021	1,500,000	140,250	150,000	(5,088,467)	(3,298,217)

The notes on pages 18 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(27,796)	(7,947,519)
Adjustments for:		
Depreciation of tangible assets	-	118,747
Loss on disposal of operations	-	7,606,389
Interest paid	825	103,933
Interest received	-	(58,000)
Taxation charge	-	(68,984)
(Increase)/decrease in stocks	(18,871)	1,110,102
Decrease in debtors	93,242	428,665
(Decrease)/increase in creditors	(600,077)	1,071,215
Increase in amounts owed to groups	-	837,786
Corporation tax (paid)/received	(331)	94,433
Net cash generated from operating activities	(553,008)	3,296,767
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(13,838)
Sale of business operations, net of cash disposed of	-	(138,354)
Interest received	-	58,000
Net cash from investing activities	-	(94,192)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	-	230,050
Repayment of other loans	(155,352)	(2,784,404)
Repayment of finance leases	-	(5,181)
Movements on invoice discounting	362,945	-
Interest paid	(825)	(103,933)
Net cash used in financing activities	206,768	(2,663,468)
Net (decrease)/increase in cash and cash equivalents	(346,240)	539,107
Cash and cash equivalents at beginning of year	383,640	(155,467)
Cash and cash equivalents at the end of year	37,400	383,640
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	37,400	383,640
	37,400	383,640

The notes on pages 18 to 34 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	383,640	(346,240)	37,400
Debt due within 1 year	(155,352)	155,352	-
	228,288	(190,888)	37,400

The notes on pages 18 to 34 form part of these financial statements.

1. General information

Prestige Doors Limited ("the Company") is a private limited company domiciled and incorporated in England and Wales. The registered office is C/O PKF Littlejohn, 15 Westferry Circus, Canary Wharf, London, E14 4HD.

The Group consists of Prestige Doors Limited and all of its subsidiaries.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The profit after tax of the parent company for the year was £NIL (2020: £NIL).

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group 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.

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- straight line over 3, 5 or 10 years
Fixtures and fittings	- straight line over 3 or 5 years
Office equipment	- straight line over 3 years
Other fixed assets	- straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. Accounting policies (continued)

2.9 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

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.

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.14 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value where there is reasonable assurance that the grant will be received. Amounts received are recognised over the period in which the related costs are recognised.

In the current year grant accounting has been applied to the Coronavirus Job Retention Scheme (‘Furlough’) launched as part of HM Government's response to the Covid-19 pandemic. This is shown within Other operating income.

2.15 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the ch. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgements in applying accounting policies 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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	1,223,018	16,137,690

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Management fees receivable	214,000	293,000
Government grants receivable	-	221,359
	214,000	514,359

6. Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	6,240	5,000
Audit of financial statements of subsidiaries	6,240	3,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	226,162	2,143,473	-	-
Social security costs	29,992	180,265	-	-
Cost of defined contribution scheme	23,973	65,508	-	-
	280,127	2,389,246	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Distribution and warehouse	-	16
Management and administrative	-	24
Directors	5	5
	5	45

The Company has no employees other than the directors, who did not receive any remuneration *(2020 - £NIL)*

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	226,162	605,267
Company contributions to defined contribution pension schemes	23,973	23,620
	250,135	628,887

During the year retirement benefits were accruing to 1 directors (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £226,162 (2020 - £341,367).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	-	58,000

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	757	84,887
Other interest payable	68	19,046
	825	103,933

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(68,984)
Total deferred tax	-	(68,984)
Taxation on profit/(loss) on ordinary activities	-	(68,984)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(27,796)	(8,016,503)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(5,281)	(1,523,136)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,244	-
Capital allowances for year in excess of depreciation	(49)	19,936
Other timing differences leading to an increase (decrease) in taxation	-	(10,998)
Non-taxable loss on disposal of discontinued operations	-	1,445,214
Group relief	4,086	-
Total tax charge for the year	-	(68,984)

12. Tangible fixed assets

Group

	Fixtures and fittings £
Cost or valuation	
At 1 January 2021	4,113
At 31 December 2021	4,113
Depreciation	
At 1 January 2021	4,105
At 31 December 2021	4,105
Net book value	
At 31 December 2021	8
At 31 December 2020	8

13. Fixed asset investments

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 January 2021	100,000
At 31 December 2021	100,000

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
GPEUK Limited (formerly Golden Pharos (Europe) Limited)	1	Sale and distribution of wooden doors and related products	Ordinary	100 %

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
GPE Leisure Limited (formerly Golden Pharos Leisure Limited)	1	Dormant	Ordinary	100 %
Weatherall Products Limited	1	Dormant	Ordinary	100 %
World Woods Limited	1	Dormant	Ordinary	100 %

Registered Office addresses:

1 C/O PKF Littlejohn, 15 Westferry Circus, Canary Wharf, London, E14 4HD

14. Associates

Details of associates at 31 December 2021 are as follows:

	Registered office	Nature of business	Class of shares held	% HeldIndirectly
Golden Pharos USA Inc	United States of America	Commission agent for timber trade	Common stock	49

In the company's financial statements the investment in GPEUK 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 Limited holds the investment in GPEUK 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.

15. Financial instruments

	Group 2021 £	Group 2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	37,400	383,640

Financial assets and liabilities measured at fair value through profit or loss comprise cash at bank and derivative financial instruments.

16. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	28,758	9,887	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	576,090	433,264	-	-
Other debtors	3,599,850	3,709,595	-	-
Prepayments and accrued income	4,357	130,680	-	-
	4,180,297	4,273,539	-	-

18. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	37,400	383,640	-	-

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	-	155,352	-	-
Trade creditors	461,129	338,162	-	-
Amounts owed to group undertakings	587,477	837,786	92,363	92,363
Corporation tax	-	331	-	-
Other taxation and social security	33,641	61,731	-	-
Other creditors	14,636	13,871	-	-
Accruals and deferred income	94,464	176,929	-	-
	1,191,347	1,584,162	92,363	92,363

20. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts owed to associates	-	3,305,854	-	3,305,854
Other creditors	3,305,854	-	3,305,854	-

21. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	-	155,352	-	-

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

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,500,000 (2020 - 1,500,000) Ordinary shares of £1.00 each	1,500,000	1,500,000

23. Financial commitments, guarantees and contingent liabilities

The Group has given an unlimited cross guarantee to HSBC Bank plc in respect of the liabilities of XL Joinery Limited. The amount guaranteed is £4,818,584 (2020 - £3,601,787).

The Group has given a guarantee to HSBC Invoice Finance (UK) Ltd in respect of loan advances to XL Joinery Limited. The amount guaranteed is £3,605,383 (2020 - £1,613,577).

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 £2,826,923 (2020 - £3,109,615).

The Group has given undertakings of support to certain connected companies for their working capital requirements.

24. Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Group		
Amount due to key management personnel	(3,305,854)	-
Amount due to other related parties	-	(3,305,854)
Amount due from parent company	3,600,000	3,600,000
Amount due to group companies	(530,460)	(792,186)

	2021 £	2020 £
Company		
Amount due to key management personnel	(3,305,854)	-
Amount due to other related parties	-	(3,305,854)

Group

During the year, the Group received interest of £Nil (2020: £58,000) and paid rent of £Nil (2020: £245,000) to a related party.

During the year, the Group paid management fees of £Nil (2020: £199,800) to a related party.

During the year, the Group charged management fees of £214,000 (2020: £293,000) to a related party.

The Group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the Group.

All directors of the Group are considered to be key management personnel.

Company

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the Group.

All directors of the Company are considered to be key management personnel.

25. 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

XL Joinery Limited

Holden Ing Way

Birstall

Batley

West Yorkshire

WF17 9AD

26. Pension commitments

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.

27. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	5,204	12,051
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	5,204	12,051