

**CONCORD PLC**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 31ST AUGUST 1997**  
**COMPANY NO. 775443**



# CONCORD PLC

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CONCORD PLC

COMPANY INFORMATION

Directors

B. E. Kerrison  
B. J. de Margary  
J. B. S. Swallow

Secretary

P. H. Brindley

Registered Office

6 Broad Street Place  
London  
EC2M 7JH

Auditors

Coopers & Lybrand  
1 Embankment Place  
London  
WC2N 6NN

Bankers

Bank of Scotland  
110 St. Vincent Street  
Glasgow  
G2 5EJ

## CONCORD PLC

### REPORT OF THE DIRECTORS

The directors present their report and the audited accounts of the company for the year ended 31st August 1997.

#### ACTIVITIES

The company is the parent company of a group whose activities include the design, manufacture, installation, repair and service of industrial doors, the manufacture of ferrous, non-ferrous and investment castings, the manufacture of domestic garage doors, the design and sale of power transmission and electronic control equipment and the sale of architectural ironmongery.

#### REVIEW OF THE BUSINESS

The company operates as a holding company co-ordinating a number of central administrative activities on behalf of its subsidiaries.

As the company is itself a wholly owned subsidiary, consolidated accounts have not been prepared. A review of the business of the operating subsidiaries is contained in the accounts of the ultimate parent undertaking, Stratagem Group PLC.

#### RESULTS AND DIVIDENDS

The results for the period are set out in the profit and loss account on page 6. The company made a profit on ordinary activities of £242,829 after a loss of £4,011,487 on sale of investments. This included a loss of £3,214,119 in respect of Firstpoint Ltd which was sold to the ultimate parent undertaking during the year (see note 4).

After interest the company made a loss for the period before tax of £137,693.

The directors are not recommending the payment of a dividend for the year (1996:4.92p per share; £600,000).

The retained loss for the year has been transferred to reserves.

#### DIRECTORS

The directors of the company during the period were:

B. E. Kerrison  
B. J. de Margary  
J. B. S. Swallow

The directors in office at 31st August 1997 had no interests in the shares of the company at any time during the period.

The interests of Mr B. E. Kerrison, Mrs B. J. de Margary and Mr J. B. S. Swallow in shares of group undertakings are disclosed in the accounts of the ultimate parent undertaking, Stratagem Group PLC.

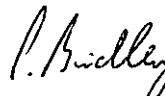
CONCORD PLC

REPORT OF THE DIRECTORS  
(Continued)

**AUDITORS**

The directors are proposing the re-appointment of Coopers & Lybrand as auditors to the company at the annual general meeting.

By order of the Board



P. H. BRINDLEY  
Secretary

6 Broad Street Place  
London  
EC2M 7JH

29/10/

1997

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for that period.

The directors consider that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31st August 1997. The directors also confirm that all accounting standards which they consider to be applicable have been followed, subject to any explanations and material departures disclosed in the notes to the financial statements and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

By order of the Board



P. H. BRINDLEY  
Secretary

6 Broad Street Place  
London  
EC2M 7JH

29/10

1997

CONCORD PLC

REPORT OF THE AUDITORS TO THE MEMBERS OF  
CONCORD PLC

We have audited the financial statements on pages 6 to 15.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based upon our audit, on those statements and to report our opinion to you.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Cooper Lybrand*

COOPERS & LYBRAND  
Chartered Accountants and  
Registered Auditors  
London

*29 October 1997*

# CONCORD PLC

## PROFIT AND LOSS ACCOUNT YEAR ENDED 31st AUGUST 1997

	Note	1997 £	1996 £
<b>TURNOVER – continuing operations</b>		1,207,582	1,332,708
Administrative expenses – continuing operations		(914,309)	(1,014,726)
Other operating income – continuing operations		<u>218,000</u>	<u>201,000</u>
<b>OPERATING PROFIT – continuing operations</b>		511,273	518,982
Income from fixed asset investments	2	3,071,121	620,313
Amount written off loan to subsidiary undertaking		(404,000)	–
Loss on sale of investments	4	(4,011,487)	–
Release of provisions	6	<u>1,075,922</u>	<u>–</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		242,829	1,139,295
Interest receivable – bank	3	390,300	580,030
Interest payable	5	<u>(770,822)</u>	<u>(512,098)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(137,693)	1,207,227
Taxation	9	<u>(2,121)</u>	<u>4,267</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		(139,814)	1,211,494
Dividends payable		–	(600,000)
<b>RETAINED (LOSS)/PROFIT FOR THE PERIOD</b>		<u><u>(139,814)</u></u>	<u><u>611,494</u></u>

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

### NOTE OF HISTORICAL COST PROFITS AND LOSSES


Reported (loss)/profit on ordinary activities before taxation	(137,693)	1,207,227
Difference between historical cost depreciation charge and the actual depreciation charge for the period on the revalued amount	<u>21,176</u>	<u>29,358</u>
Historical cost (loss)/profit before taxation	<u><u>(116,517)</u></u>	<u><u>1,236,585</u></u>

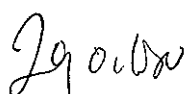
CONCORD PLC

BALANCE SHEET – 31st AUGUST 1997

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	10	9,274,824	9,831,980
Investments	11	2,338,415	2,854,665
		<u>11,613,239</u>	<u>12,686,645</u>
<b>CURRENT ASSETS</b>			
Debtors: due after more than one year	12	5,933,197	5,942,616
Debtors: due within one year	12	91,834	151,760
Cash at bank and in hand		16,331	1,059,434
		<u>6,041,362</u>	<u>7,153,810</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(7,289,208)</u>	<u>(12,598,761)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,247,846)</u>	<u>(5,444,951)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,365,393	7,241,694
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	14	(4,421,484)	(1,052,080)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	—	(105,891)
		<u>5,943,909</u>	<u>6,083,723</u>
<b>CAPITAL &amp; RESERVES</b>			
<b>CALLED UP SHARE CAPITAL</b>	17	1,219,055	1,219,055
<b>RESERVES</b>			
Share premium account		1,848,690	1,848,690
Revaluation reserve		1,509,238	1,509,238
Merger reserve		878,666	878,666
Profit and loss account	18	488,260	628,074
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>5,943,909</u>	<u>6,083,723</u>

The financial statements were approved by the Board and signed on its behalf by:

  
J. B. S. SWALLOW  
Director

 1997



# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997

### 1. ACCOUNTING POLICIES

#### a) Accounting convention

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

#### b) Turnover

Turnover represents rents received and vehicle hire charges from subsidiary undertakings.

#### c) Depreciation

Depreciation is provided at the following rates per annum:

Freehold properties	1% straight line
Leasehold properties	period of lease
Plant machinery and equipment	15% straight line
Computers	25% straight line
Motor vehicles	25% straight line

#### d) Interest

Interest payable is written off to the profit and loss account as it is incurred.

#### e) Deferred taxation

Deferred taxation is calculated using the liability method and provision is made for all material timing differences which are not expected to continue in the foreseeable future.

#### f) Pensions

The company operates a defined benefit pension scheme. The assets of the scheme are held in separate trustee administered funds. Pension costs are paid to the scheme, and are charged to the profit and loss account of subsidiary undertakings so as to spread the cost of providing pensions over the service lives of employees in accordance with the recommendation of an independent actuary. Effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme. Although a valuation surplus was identified by the most recent actuarial review, an interim review has indicated that pension contributions should now be paid over to the scheme. As a result, amounts previously accrued in the balance sheet for contributions in respect of previous year have now been released to the profit and loss account.

#### g) Leases

Rentals applicable to operating leases under which substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

#### h) Investments

Investments in subsidiary undertakings are stated at cost less any provision for permanent diminution in value.

# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997 (Continued)

### 1 ACCOUNTING POLICIES (continued)

#### i) Cash flow statement

The company is a wholly owned subsidiary of Stratagem Group PLC and the cash flows of the company are included in the consolidated group cash flow statement of Stratagem Group PLC. Consequently the company is exempt under the terms of Financial Reporting Standard no.1 from publishing a cash flow statement.

#### j) Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at rates applicable at the period end and transactions at the rate applicable on the date of the transaction. Exchange gains and losses of a trading nature are dealt with in arriving at the loss on ordinary activities before taxation.

#### k) Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard no.8 paragraph 3 (c) not to disclose intra-group transactions.

### 2 INCOME FROM FIXED ASSET INVESTMENTS

	1997	1996
	£	£
Dividends from shares in subsidiary undertakings	3,059,000	600,000
Dividends from other investments	12,121	20,313
	<u>3,071,121</u>	<u>620,313</u>

### 3 INTEREST RECEIVABLE

Bank	27	95,146
Other	—	67,940
Group undertakings	390,273	416,944
	<u>390,300</u>	<u>580,030</u>

### 4 LOSS ON SALE OF INVESTMENTS

	£	£
Loss on sale of Firstpoint Limited to parent undertaking	3,214,119	—
Provision re: loan due from Mastersoft Solutions Limited	797,368	—
Loss on sale of investments	<u>4,011,487</u>	<u>—</u>

### 5 INTEREST PAYABLE

On bank loans, overdrafts and other loans:	£	£
Repayable within 5 years, not by instalments	662,588	372,898
Repayable within 5 years, by instalments	108,234	136,430
Repayable after 5 years	—	2,770
	<u>770,822</u>	<u>512,098</u>

# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997 (Continued)

### 6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting) the following:	1997 £	1996 £
Depreciation	194,614	186,734
Loss on sale of investments	4,011,487	—
Auditors' remuneration — audit fee	68,000	65,950
Hire of motor vehicles — operating leases	—	149,824
Release of amounts due in previous years to pension scheme (1,685,922)		—
General provisions for legal costs 670,000		—
Release of general provision for administration costs (60,000)		—
	<u>(1,075,922)</u>	<u>—</u>

### 7. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year ( 1996: £nil ).

### 8. EMPLOYEES

Staff costs were:	£	£
Wages and salaries	210,467	190,363
Social security costs	24,130	19,228
Pension costs	7,414	8,350
	<u>242,011</u>	<u>217,941</u>

The average number of employees, excluding executive directors, during the period was 8 (1996 : 6).

### 9. TAXATION

	£	£
The tax charge comprises:		
Corporation tax at 33%		
adjustment for previous year	—	(8,330)
Tax on franked investment income — ACT	2,121	4,063
	<u>2,121</u>	<u>(4,267)</u>

CONCORD PLC

NOTES TO THE ACCOUNTS  
31st AUGUST 1996  
(Continued)

10. TANGIBLE ASSETS

	Land and buildings		Plant and equipment	Motor vehicles	Total
Cost or valuation	<u>Freehold</u> £	<u>Leasehold</u> £	£	£	£
1st September 1996	9,366,133	620,753	94,543	389,649	10,471,078
Additions	37,386	—	—	—	37,386
Disposals	(410,002)	—	—	(30,741)	(440,743)
31st August 1997	<u>8,993,517</u>	<u>620,753</u>	<u>94,543</u>	<u>358,908</u>	<u>10,067,721</u>
Cost — 31st August 1997	—	13,637	94,543	410,074	518,254
Valuation — 31st August 1997	<u>8,993,517</u>	<u>607,116</u>	<u>—</u>	<u>—</u>	<u>9,600,633</u>
	<u>8,993,517</u>	<u>620,753</u>	<u>94,543</u>	<u>410,074</u>	<u>10,118,887</u>
<b>Depreciation</b>					
1st September 1997	350,804	39,364	87,361	161,569	639,098
Charge for the period	95,634	13,741	2,658	82,581	194,614
Disposals	(24,009)	—	—	(16,806)	(40,815)
31st August 1997	<u>422,429</u>	<u>53,105</u>	<u>90,019</u>	<u>227,344</u>	<u>792,897</u>
<b>Net book value</b>					
31st August 1997	<u>8,571,088</u>	<u>567,648</u>	<u>4,524</u>	<u>131,564</u>	<u>9,274,824</u>
31st August 1996	<u>9,015,329</u>	<u>581,389</u>	<u>7,182</u>	<u>228,080</u>	<u>9,831,980</u>

The cost of freehold land and buildings includes capitalised interest of £154,004 (1996:£154,004).

Freehold and leasehold properties were valued by Sweby Cowan, a firm of independent Chartered Surveyors at 31st March 1993. The directors have reviewed the appropriateness of the valuations for the purposes of the financial statements at 31st August 1997.

The historical cost of revalued properties at 31st August 1997 was £6,378,400 and the net book value on the historical cost basis was £5,736,087.

The net book value of leasehold properties relates to long leases except for £3,677 (1996 : £7,157) in respect of short leases.

# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997 (Continued)

### 11. INVESTMENTS

Cost or valuation	Shares in subsidiaries £	Other investments £	Total £
At 1st September 1996	2,338,415	516,250	2,854,665
Redemption of Deeleys (Castings) Ltd. 5% cumulative redeemable preference shares.	—	(250,000)	(250,000)
Redemption of Mastersoft Developments Ltd. loan notes	—	(266,250)	(266,250)
Acquisition of Firstpoint Ltd from ultimate parent undertaking	5,714,119	—	5,714,119
Disposal of Firstpoint Ltd to ultimate parent undertaking	(5,714,119)	—	(5,714,119)
At 31st August 1997	<u>2,338,415</u>	<u>—</u>	<u>2,338,415</u>

#### (a) Subsidiary undertakings

The company's principal subsidiaries at 31st August 1997 are listed below. All are wholly owned directly by the company and are registered in England except for FP Castings Limited which is registered in Scotland. The subsidiaries operate mainly in their country of registration. The class of capital held in each case is ordinary share capital.

Company	Principal activities
Anstar Group Limited	Architectural ironmongery
BAS Castings Limited	Castings
FP Castings Limited	Castings
Harper & Beardmore Limited	Architectural ironmongery
Henderson – Bostwick Industrial Doors Limited	Industrial doors
Henderson Door Systems Limited	Dormant
HI Quality Steel Castings Limited	Castings
Hufcor (Partitions) Limited	Operable walls and partitions
Kingdoor Products Limited	Domestic garage doors
Vega Limited	Applied systems and controls

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings is not less than the aggregate of the amounts at which the assets are stated in the balance sheet.

#### (b) Other investments

Other investments represented the company's holding of 5% cumulative preference shares in Deeleys (Castings) Limited (£250,000) and Mastersoft Developments Limited loan notes (£266,250).

CONCORD PLC

NOTES TO THE ACCOUNTS  
31st AUGUST 1997  
(Continued)

12.	<b>DEBTORS</b>	1997 £	1996 £
	Amounts falling due after more than one year:		
	Other debtors	80,000	60,000
	Amounts due from subsidiary undertakings	5,853,197	5,882,616
		<u>5,933,197</u>	<u>5,942,616</u>
	Amounts falling due within one year:		
	Trade debtors	5,834	5,869
	Other debtors	85,201	124,365
	Prepayments	799	21,526
		<u>91,834</u>	<u>151,760</u>
	Total debtors	<u>6,025,031</u>	<u>6,094,376</u>
13.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		£	£
	Bank loans and overdrafts	1,485,281	7,356,468
	Amounts due to parent undertaking	4,267,670	2,728,051
	Amounts due to subsidiary undertakings	166,205	219,535
	Other taxes and social security	375,261	359,321
	Other creditors	910,016	186,793
	Amounts due to pension fund (note 22)	84,775	1,748,593
		<u>7,289,208</u>	<u>12,598,761</u>
14.	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
		£	£
	Bank Loans	<u>4,421,484</u>	<u>1,052,080</u>
15.	<b>BORROWINGS</b>		
	Bank loans and overdrafts are repayable as follows:	£	£
	Within one year	1,485,281	7,356,468
	Between one and two years	3,990,444	245,220
	Between two and five years	431,040	735,660
	After five years	—	71,200
		<u>5,906,765</u>	<u>8,408,548</u>

The bank loans and overdrafts are secured by fixed and floating charges over the assets of the group. Interest is charged at variable rates linked to base rate.

# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997 (Continued)

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

	1997 £	1996 £
(a) Deferred tax		
No provision has been made in the accounts for deferred tax.		
The potential liability unprovided is as follows:		
Accelerated capital allowances	<u>266,000</u>	<u>383,000</u>
(b) Provisions		
	Reorganisation £	Fair value £
At 1st September 1996	255	105,636
Utilised during the period	(255)	(105,636)
At 31st August 1997	<u>—</u>	<u>—</u>

### 17. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
15,000,000 ordinary shares of 10p each	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
12,190,555 ordinary shares of 10p each	<u>1,219,055</u>	<u>1,219,055</u>

### 18. PROFIT AND LOSS ACCOUNT

	£
At 1st September 1996	628,074
Loss for the period	(139,814)
At 31st August 1997	<u>488,260</u>

### 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
(Loss)/profit for the period	(139,814)	1,211,494
Dividends	—	(600,000)
Net (reduction in)/addition to shareholders' funds	(139,814)	611,494
Opening shareholders' funds	<u>6,083,723</u>	<u>5,472,229</u>
	<u>5,943,909</u>	<u>6,083,723</u>

### 20. CONTINGENT LIABILITIES

a) The company is included in a Value Added Tax group election under Sch.43 of the Value Added Tax Act 1994. It has therefore guaranteed to pay any tax due by other members of the group. At 31st August 1997 tax owing by the group was £829,284 (1996 £883,331).

# CONCORD PLC

## NOTES TO THE ACCOUNTS 31st AUGUST 1997 (Continued)

### 21. OPERATING LEASE COMMITMENTS

At 31st August 1997, the company had annual commitments under non-cancellable leases as follows:

	1997	1996
Motor vehicles		
	£	£
On leases expiring within one year	<u>—</u>	<u>21,526</u>

### 22. PENSION COMMITMENTS

The company operates defined benefit pension schemes. Contributions to these schemes are based on pension costs advised by an independent actuary and are charged to the profit and loss accounts of subsidiary companies within the group. The most recent actuarial valuation of the scheme at 6th April 1994 showed a valuation surplus. Particulars of the most recent actuarial valuation of the group's schemes and the significant actuarial assumptions are contained in the accounts of Stratagem Group PLC.

### 23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Stratagem Group PLC, its ultimate parent undertaking, a company registered in England. Copies of the group accounts of Stratagem Group PLC can be obtained from the Company Secretary, Stratagem Group PLC, 6 Broad Street Place, London EC2M 7JH.