DORMA UK LIMITED

Annual Report and Financial Statements

For the Year Ended 30 June 2016

Registration number: 01361508

DORMA UK LIMITED

Contents

DORMA UK LIMITED

Company Information

Directors	S Christie S Bewick (appointed 1 July 2016) R Gaspari (appointed 1 July 2016) B Brinker (appointed 1 July 2016)
Company Secretary	S Christie
Registered office	Wilbury Way Hitchin Hertfordshire SG4 0AB
Banker	National Westminster Bank 694 High Road London E11 38A
Independent Auditors'	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Herts AL1 3JX

Strategic Report for the Year Ended 30 June 2016

The directors present their strategic report and the financial statements for the year ended 30 June 2016.

Review of business

The principal activity of the business continues to be that of distribution, supply, installation and maintenance of door operating equipment. On the 1st November 2014 the company purchased 100% of the share capital of ADRS Solutions Limited, a company registered in England. On 1st May 2016, ADRS Solutions Limited has been integrated into DORMA UK Limited. This has been done at no gain no loss transfer. There have been no changes nor interruptions to the trading activity of ADRS Solutions Limited.

Results and performance

The company has maintained a stable financial position during the year.

The Statement of comprehensive income is set out on page 8 and shows that when compared with prior year, sales have increased by £3,989,935, an increase of 8.3%. Operating profit margin has decreased by 3.7% from 5.1% achieved last financial year to a 1.4% this year. These results include a loss on impairment of £1,370,571 (2015 : nil).

The Statement of financial position is set out on page 9 and shows a reduction in the level of working capital by £1,652,865 to £1,856,486 (2015: £3,509,350) as a result of measures taken to optimise the company's supply chain and the continuing effective management of trade debtors. No dividend payment has been made in the year (2015: £6.80 per share). The overall net assets of the business have increased by £195,522 leaving the final position at £9,282,240 (2015: 9,185,718).

Business environment

The construction and service industry continues to remain competitive.

Strategy

The company will continue to consolidate its position and concentrate its efforts in achieving maximum growth in the existing markets segments, whilst working to improve efficiency in all areas of our operations to support further cost reduction.

Principal risks and uncertainties

There is an ongoing process to identify, assess and manage risk, This process has been in place throughout the year to which these statements apply and up to the date of their approval.

The company operates a process of risk management as part of the corporate governance activities. The company secretary chairs a high level risk group and, together with the directors and senior leadership team, reviews the status of the company risk mitigation strategy. This risk management process is part of the DORMA Group corporate governance activity and is shared with the ultimate parent company as part of a global risk management strategy.

Future developments

The business will continue to consolidate its position and concentrate its efforts in achieving maximum growth in its existing market segments. We aim to improve efficiency in all areas of our operations to support further cost reductions.

Key Performance Indicators Performance Review

The management monitors progress on overall company strategy by reference to two KPI's, being growth in sales percentages and earnings before interest and tax. Sales for the year have increased by 8.3%. Net margin decreased by 3.7% from prior year to 1.4%.

Approved by the Board on 29/03/17 and signed on its behalf by:

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S Christie
Company secretary and director

Wilbury Way
Hitchin
Hertfordshire
SG4 0AB

Directors' Report for the Year Ended 30 June 2016

The directors present their report and the audited financial statements for the year ended 30 June 2016.

Results and dividends

The profit before taxation for the financial year is £477,938 (2015 - £2,268,796). This incudes an impairment on the investment held as fixed assets, as per Note 15. Dividends totalling £ Nil (2015: £1,700,000) have been paid during the year. No other dividends were approved prior to the year ended 30 June 2016.

Directors of the company

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

Mr S A Christie	
Mr A Crosby	Resigned 30 June 2016
Mr C G Gilmour	Resigned 30 June 2016
Mr S A Bewick	Appointed 1 July 2016
Mr R Gaspari	Appointed 1 July 2016
Mr B Brinker	Appointed 1 July 2016

Principal activity
The principal activity of the company is distribution, supply, installation and maintenance of door operating equipment.

Financial risk management

Objectives and policies

The directors are responsible for the company's system of internal control, including internal financial control, which is designed to provide reasonable, but not absolute, assurance regarding: (a) the safeguarding of assets against unauthorised use or disposition, and (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company credit management policy and associated procedures aim to minimise such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy rigorous and ongoing credit worthiness checks. Potential exposure is subject to regular review at senior level.

Details of the company's debtors are shown in note 17 to the financial statements.

Liquidity and cash flow risk is the risk of exposure to variability in the cash flows and that an entity will encounter difficulty in meeting obligations associated by financial liabilities.

Workforce, health, safety and environmental considerations

Manpower and skill levels
The company operates a technical business and therefore regularly monitors staffing levels and skills to ensure that a sufficient level of personnel from engineers to customer service advisors are engaged at appropriate levels.

Employees

During the year, the company has implemented a series of programmes aimed at involving the employees in the entity's affairs. These programmes included the provision of relevant information to the employees and regular consultation with the employees in the form of meetings and workshops, where the employees views have been taken into account in making decisions that are likely to affect their interests.
An employee forum is active in representing the views of the employees and putting forward to the board of directors suggestions and ideas.

Employment of disabled persons

The company operates a comprehensive equal opportunities policy which ensures that all job applicants are treated fairly and without prejudice.

This policy also encompasses provisions to ensure that less able-bodied people are not disadvantaged by conditions, requirements or practices that cannot be shown to be just or fair. Where existing employees become disabled, it is the company's policy wherever practical to provide continued employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Directors' Report for the Year Ended 30 June 2016

Recruitment

The company aims to ensure that it attracts a sufficient number of people at the required standard to meet its external recruitment needs. Recruitment is closely monitored to ensure that it is only authorised if the company is confident that the business needs are critical, and there are no suitable internal candidates available.

Health and safety at work

The company places the utmost importance on ensuring that the safety and security of its customers and employees on-site and in office is maintained and continues to enjoy certification to OHSAS:18001.

As part of its commitment to health and safety the company works continuously to ensure that its engineers working on-site are regular monitored and measured against safety standards, from working with steps and using pedestals to using scaffold and other platforms. Risk assessments are regular performed and engineers receive training in personal risk analysis as well as customer site risk and method assessment.

Environment matters

The company seeks to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues.

Future developments

The directors' consider that 2016/17 will be a growth year and expect to increase both revenue and profit margins.

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Research and Development

No R&D activities have been undertaken by the company during the year.

DORMA UK LIMITED
Registration number 01361508

Directors' Report for the Year Ended 30 June 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Approved by the Board on 25|3 2017 and signed on its behalf by:

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S Bewick
Company director

Wilbury Way
Hitchin
Hertfordshire
SG4 0AB

Independent auditors' report to the members of DORMA UK Limited

Report on the financial statements

Our opinion

In our opinion, Dorma UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 30 June 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of DORMA UK Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Andrew Hodgekins

Andrew Hodgekins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
29 March 2017

DORMA UK LIMITED

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	2016	2015
		£	£
Turnover	5	52,269,456	48,279,521
Cost of sales		(39,268,983)	(34,718,282)
Gross profit		13,000,473	13,561,239
Administrative expenses		(12,539,349)	(11,341,959)
Other operating income		283,799	246,063
Operating profit	6	744,923	2,465,343
Other interest receivable and similar income	10	8,071	8,451
Interest payable and similar charges	11	(275,056)	(204,998)
Profit on ordinary activities before taxation		477,938	2,268,796
Tax on profit on ordinary activities	12	(381,416)	(530,772)
Profit for the financial year		96,522	1,738,024
Other comprehensive income		-	-
Total comprehensive income for the year		**96,522**	**1,738,024**

DORMA UK LIMITED

Statement of Financial Position as at 30 June 2016

Fixed assets	**Note**	**2016**	**2015**
		£	**£**
Intangible fixed assets	13	12,198,878	8,777,816
Tangible assets	14	794,729	869,038
Shares in affiliated companies	15	1,260,807	6,063,188
		14,254,413	15,710,042
Current assets			
Stocks	16	5,463,566	4,869,260
Debtors	17	17,897,172	15,347,606
Cash at bank and in hand		781,879	1,091,256
		24,142,617	21,308,122
Creditors: Amounts falling due within one year	18	(22,286,131)	(17,798,772)
Net current assets		1,856,486	3,509,350
Total assets less current liabilities		16,110,899	19,219,392
Net current assets		16,110,899	19,219,392
Creditors: Amounts falling due after more than one year	19	(6,413,660)	(9,618,674)
Provisions for liabilities	20	(415,000)	(415,000)
Net assets		**9,282,240**	**9,185,718**
Capital and reserves			
Called up share capital	21	250,000	250,000
Other reserves		1,700,000	1,700,000
Profit and loss account		7,332,240	7,235,718
Total Equity		**9,282,240**	**9,185,718**

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were authorised for issue by the board of directors on 29/03/ 2017 and were signed on its behalf.

S Christie
Company secretary and director

DORMA UK LIMITED
Registered number 01361508

Statement of changes in equity for the year ended 30 June 2016

	Notes	Called-up share capital £	Other reserves £	Profit and loss account £	Total equity £
Balance as at 1 July 2014		250,000	1,700,000	7,197,694	9,147,694
Profit for the financial year		-	-	1,738,024	1,738,024
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	1,738,024	1,738,024
Dividends		-	-	(1,700,000)	(1,700,000)
Total transactions with owners, recognised in equity			-	(1,700,000)	(1,700,000)
Balance as at 30 June 2015		250,000	1,700,000	7,235,718	9,185,718
Balance as at 1 July 2015		250,000	1,700,000	7,235,718	9,185,718
Profit for the year		-	-	96,522	96,522
Other financial comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	96,522	96,522
Dividends		-	-	-	-
Total transactions with owners, recognised in equity		-	-	-	-
Balance as at 30 June 2016		250,000	1,700,000	7,332,240	9,282,240

1 General information

The principal activity of the business continues to be that of distribution,supply,installation and maintenance of door operating equipment. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is on the company information page.

The ultimate parent undertaking and controlling party is dorma+kaba Holding AG, a company incorporated in Switzerland.

2 Statement of compliance

The individual financial statements of DORMA UK LIMITED have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Reporting Standard applicable in the United Kingdom and Republic of Ireland " ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. On first time adoption of FRS 102, the company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or account estimates. All amount in the financial statements have been rounded to the nearest pound.

(a) Basis for preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The directors have reviewed the company's accounting policies and estimation techniques, as required in FRS 102 and they consider that they are the most appropriate.

The principal accounting policies, which have been applied consistently throughout the year are set out below.

(b) Going concern

The company meets its day-to-day working capital requirements through its available resources which includes finance available from the parent company. The company's forecast and projections, taking account of reasonable possible changes in trading performance, show that the company will be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS102

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 paragraph 3.17(d) Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the non-disclosure of key management personnel compensation in total per paragraph 33.7.

(d) Consolidated financial statements

The company is a wholly owned subsidiary of dorma+kaba Holding AG, its ultimate parent, and its accounts are included in the consolidated group financial statements of dorma+kaba holding which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

(e) Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) 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 costs are translated using the exchange rate at the date of the transaction and non-monetary measured at fair value are measured using the exchange rate when fair value was determined.

(e) Foreign currency (continued)

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 the profit and loss account.

As the company is wholly owned subsidiary of dorma+kaba Holding AG, the company has taken advantage of the exemption contained within FRS 8 and therefore not disclosed transactions or balances with entities which form part of the same group. The consolidated financial statements of dorma+kaba Holding AG within which this company is included can be obtained from the address given in note 23.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied and services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns on historical results, taking into consideration, the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transition, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of the company's channels have been met.

(i) Sales of goods

Revenue is recognised when the risk and rewards of the inventory is passed to the customer. Delivery occurs when the goods have been dispatched to the location specified by the customer. Sales are normally made with a credit term of 30 to 60 days.

(ii) Sales of services

Revenue is recognised in the accounting period in which the services are rendered when the outcome of contract can be estimated reliably. The company uses the percentage of completion method on the actual service performed as a percentage of the total services to be provided.

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(g) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements and paid holiday arrangements.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays a fixed contribution for each employee entitled. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(h) Taxation

Taxation expenses for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax loses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(i) Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between 3 and 5 years, on a straight line basis.

Positive goodwill (arising on acquisitions' since 1 January 1998) is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

(j) Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is calculated, using the straight line method, to allocate the cost to their residual values over their estimated useful life as follows:

Asset class	**Amortisation method and rate**
Short leasehold and buildings	Straight-line over the period of the lease
Computer equipment	Straight-line at 25% per annum
Plant and machinery	Straight-line at 25% per annum
Fixture and fittings	Straight-line at 25% per annum

(k) Investments

Investment in associate is held at cost less accumulated impairment losses.

(l) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the moving average method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and its recognised as a credit in the profit and loss account.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

(n) Provisions and contingencies

Provision are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood of that outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item in the same class of obligations might be small.

In particular:
(i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected an therefore has a legal or constructive obligation to carry out the restructuring; and
(ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(o) Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised and transaction price, 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.
Such assets are subsequently carried at amortised cost using the effective interest method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(q) Distribution to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders.

(r) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group which are wholly owned.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 Turnover

During the year all of the companies turnover related to the distribution,supply,installation and maintenance of door operating equipment.
An analysis of turnover by geographical location is given below.

	2016	2015
	£	£
Sales - UK	51,029,951	46,542,074
Sales - Europe	1,223,042	1,720,728
Sales - Rest of world	16,463	16,719
	52,269,456	48,279,521

6 Operating profit

Operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Operating leases rentals	1,637,592	1,716,132
(Profit)/Loss on foreign exchange transactions	(118,559)	210,795
Depreciation of owned assets	263,025	811,377
Amortisation	214,912	161,702
Profit on disposal of fixed assets	-	3,974
Stock recognised as an expense	17,989,853	16,644,899
Impairment loss	1,370,571	-

7 Auditors' remuneration

	2016	2015
	£	£
Audit of the financial statement	39,300	38,850
Other fees to auditors	-	16,000
Tax services	-	8,875
Total fees	39,300	63,725

8 Particulars of employees

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

	2016	2015
	No.	No.
Administration and support	59	51
Service, sales, marketing and distribution	372	323
	431	374

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Wages and salaries	14,606,144	13,748,672
Social security costs	1,665,658	1,502,393
Other pension costs	561,891	557,282
	16,833,693	15,808,347

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration (including benefits in kind)	529,539	620,926
Company contributions paid to money purchase scheme	32,792	30,732

During the year the number of directors who were receiving benefits was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	365,496	465,467
Company contributions paid to money purchase scheme	26,782	25,367

10 Other interest receivable and similar income

	2016 £	2015 £
Other interest receivable	8,071	8,451

11 Interest payable and similar charges

	2016 £	2015 £
Other interest payable	275,056	204,998
	275,056	204,998

12 Tax on profit on ordinary activities

	2016	2015
	£	£
Current tax		
Corporate tax charges	367,798	464,446
Adjustment in respect of previous years	-	-
UK Corporation tax	367,798	464,446
Deferred tax		
Origination and reversal of timing differences	13,618	66,326
Total tax on profit on ordinary activities	381,416	530,772

Reconciliation of tax charges

Tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.75%).

The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	477,938	2,268,796
Corporation tax at standard rate 20% (2015: 20.75%)	95,588	470,775
Capital allowances less than/ (in excess of depreciation)	19,983	(66,767)
Other timing differences	8,383	15,966
Expenses not deductible for tax purposes	10,217	33,341
Movement in general provisions	(14,496)	(14,084)
Capital losses	243,384	-
Accelerated capital allowances	18,359	91,541
Total tax on profit on ordinary activities	381,416	530,772

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. In the Budget on 16 March 2016, the Chancellor announced an additional planned reduction to 17% by 2020.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 30 June 2016 which has been calculated on the rate of 18% substantively enacted at the balance sheet date. It has not been possible to quantify the fully anticipated effect of the announced reductions, although these will further reduce the company's tax charges and reduce the company's deferred tax asset accordingly.

13 Intangible fixed assets

	Computer software	Goodwill £	Total £
Cost			
At 1 July 2015	1,735,522	12,354,680	14,090,202
Additions due to business combinations	-	3,440,339	3,440,339
Additions	41,983	153,652	195,635
At 30 June 2016	1,777,505	15,948,671	17,726,176
Accumulated Amortisation			
At 1 July 2015	1,678,114	3,634,272	5,312,386
Charge for the year	53,209	161,703	214,912
At 30 June 2016	1,731,323	3,795,975	5,527,298
Net book value			
At 30 June 2016	46,182	12,152,696	12,198,878
At 1 July 2015	57,408	8,720,408	8,777,816

Business combinations affected during the period:

On 1st May 2016 ADRS Solutions Limited has been integrated up into Dorma UK Limited.
The acquisition date of ADRS Solutions Limited was 1 November 2014 and the percentage of voting equity instrument acquired was 100%.
The amounts recognised at the combination date for each class of assets was as follows:

(1) Assets	1,891,973
(2) Liabilities	1,019,470
(3) Goodwill	3,440,339

14 Tangible fixed assets

	Short l/hold and buildings £	Computer equipment £	Plant and machinery £	Fixture and fittings £	Total £
Cost or valuation					
At 1 July 2015	343,565	1,871,926	187,167	1,882,128	4,284,786
Additions	-	42,255	11,385	113,609	167,249
Additions due to business combinations	41,683	-	-	70,484	112,167
Disposals	-	-	-	(18,377)	(18,377)
At 30 June 2016	385,248	1,914,181	198,552	2,047,844	4,545,825
Accumulated Depreciation					
At 1 July 2015	115,293	1,386,311	186,248	1,727,896	3,415,748
Charge for the year	26,798	73,520	1,818	160,889	263,024
Depreciation to business combinations	34,328	-	-	49,518	83,846
Disposals	-	-	-	(11,523)	(11,523)
At 30 June 2016	176,419	1,459,831	188,066	1,926,780	3,751,096
Net book value					
At 30 June 2016	208,829	454,350	10,486	121,065	794,729
At 1 July 2015	228,272	485,615	919	154,232	869,038

15 Investments held as fixed assets

Shares in group undertakings and participating interest

	Subsidiary undertakings £	Total £
Cost		
At 1 July 2015	11,056,570	11,056,570
Additions	881,032	881,032
Impairment due to combination	(4,312,842)	(4,312,842)
At 30 June 2016	7,624,760	7,624,760
Provision for impairment		
At 1 July 2015	4,993,382	4,993,382
Charge for the year	1,370,571	1,370,571
	6,363,953	6,363,953
Net book value		
At 30 June 2016	1,260,807	1,260,807
At 1 July 2015	6,063,188	6,063,188

The principal subsidiary undertakings (all held 100%) at June 2016 were:

Name	Country of incorporation	Nature of business
Ascot Doors Limited	England	Manufacture, installation, maintenance and repair of doors used in the industrial, security, fire containment environmental, retail and commercial applications.
ADRS Limited	England	Distribution, supply, installation and maintenance of door operating equipment

On the 1 May 2016, ADRS Limited has been integrated up into Dorma UK Limited, resulting in an impairment charge of £4,312,842.

On 1 November 2016, investment in Ascot Doors Limited has been disposed off to a 3rd party, a business registered in England.

Following the disposal, the directors considered that an impairment of the investment in Ascot Doors Limited is necessary, as a result an impairment change of £1,370,571 has been recognised to write down the investment to its realisable value.

16 Stocks

	2016 £	2015 £
Finished goods and goods for sale	4,146,780	4,297,051
Work in progress	1,316,786	572,209
	5,463,566	4,869,260

17 Debtors

	2016 £	2015 £
Trade debtors	15,752,488	12,502,388
Amounts owed by group undertakings	1,570,828	1,731,167
Other debtors	130,164	404,310
Deferred tax	82,214	88,188
Prepayments and accrued income	361,478	621,553
	17,897,172	15,347,606

17 Debtors (continued)

Deferred tax

The movement in deferred tax asset in the year is as follows:

	£
At 1 July 2015	88,188
Deferred tax credited to the statement of comprehensive income	(13,618)
At 30 June 2016	74,570

Analysis of deferred tax

	2016 £	2015 £
Differences between accumulated depreciation and amortisation and capital allowances	(6,636)	11,723
Other timing differences	81,206	76,465
	74,570	88,188

18 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,022,606	2,582,805
Amounts owed to group undertakings	12,819,894	9,318,812
Corporation tax	98,491	313,213
Other taxes and social security	1,886,121	2,026,373
Other creditors	3,154,818	3,293,597
Holiday pay accruals	304,202	263,972
	22,286,131	17,798,772

19 Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	6,413,660	9,618,674

20 Provisions

	Other provisions £	Total £
At 1 July 2015	415,000	415,000
Charged to the statement of comprehensive income	-	-
At 30 June 2016	415,000	415,000

A provision is recognised for labour and overhead costs by analysing trends based on data from warranty claims made on the last 12 months. The provision at the year end is £20,000 and reflects the expected level of cost to be incurred in the next financial year as a result of current year sales.

A provision of £395,000 has been recognised for restructuring costs.

21 Called up Share capital

Allotted, called up and fully paid shares

	2016 No.	2016 £	2015 No.	2015 £
Ordinary shares of £1 each (2015: £1 each)	250,000	250,000	250,000	250,000

22 Dividends

	2016 £	2015 £
Dividends paid		
Prior year final dividend paid	-	1,700,000
Current year interim paid	-	-

23 Operating lease commitments

At 30 June 2016 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £	2015 £
Land and buildings		
No later than one year	687,041	686,179
Later than one year and no later than five years	2,520,894	2,506,100
Later than than five years	2,265,500	2,841,500
	5,473,435	6,033,779
Other		
No later than one year	356,130	338,900
Later than one year and no later than five years	421,207	386,451
	777,337	725,351

The company had no other off-balance sheet arrangements.

23 Related party transactions

The company has taken advantage of the exemption under paragraph 33.1 of the provisions of FRS 102, "Related Party Disclosures", on the grounds that it is wholly owned subsidiary of a group headed by dorma+kaba Holding AG, whose financial statements are publicly available.

24 Transition to FRS102

The financial statements for the year ended 30 June 2016 are Dorma UK Limited first annual financial statements that comply with FRS 102. The date of transition to FRS 102 is 1 July 2015.

The transition to FRS 102 has resulted in certain changes in accounting policies compared with those prepared in accordance with former United Kingdom Generally Accepted Accounting Practice (UK GAAP). The differences between the equity and the profit presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 are described below.

	Equity as at 1 July 2014	Profit for the year ended 30 June 2015	Dividends for the year ended 30 June 2015	Equity as at 30 June 2015
	£	£	£	£
As stated under former UK GAAP	7,364,060	1,785,475	(1,700,000)	7,449,535
Transitional adjustments :				
Short term employee benefits	(205,390)	(58,582)	-	(263,972)
Deferred taxation	39,024	11,131	-	50,155
As stated in accordance with FRS 102	7,197,694	1,738,024	(1,700,000)	7,235,718

There were no material differences on transition to FRS 102.

Holiday pay accrual

Under previous UK GAAP, the company accrued for holiday pay where this was expected to be paid as a cash sum where the employee was entitled to carry forward holiday earned.

However, the company did not accrue for holiday pay that was earned but the holiday entitlement was expected to be taken in subsequent financial year. Under FRS 102, the company is required to accrue for all short term compensated absences as holiday entitlement earned but not taken at the end of the statement of financial position. The impact is to increase holiday pay accrued by £205,389 and £98,813 at 1 July 2014 and 30 June 2015 respectively. The liability at 30 June 2016 was £304,202.

Deferred taxation

The company has accounted for deferred taxation on transition as follows:

(a) Holiday pay accrual: Deferred tax of £39,024 has been recognised at 20% on the liability recognised on transition at 1 July 2014. In the year ended 30 June 2016 the company has recognised a credit of £7,644 in the Statement of comprehensive income in respect of the increase in the increase in the holiday pay accrual.

Transitional relief

On transition to FRS 102 from previous GAAP, the company has taken advantage of transitional relief as follows:

Investment in subsidiaries

The company has elected to treat the carrying amount of investment in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.

25 ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is dorma+kaba Holding AG, a company incorporated in Switzerland. dorma+kaba Holding AG is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of dorma+kaba Holding AG are publicly available and can be obtained from 24 Hofwisestrasse, 8153 Rumlang, Switzerland.

The directors regard dorma+kaba Holding AG as the immediate parent company owing 100% of the share capital of DORMA UK LIMITED.