

1. INTRODUCTION

1.2 Background

1.2.1 History

Douglas Smith and Dale Hammond formed DougDale Joinery in 1995. Douglas Smith had been employed as a qualified joiner for eight years, but the company he worked for closed down in 1990. He continues as a self-employed sub-contract carpenter and joiner for three years and then met up with Dale Hammond, also a qualified joiner, who wanted to leave his employment as a manager in a joinery firm – so they formed a partnership.

Initially, they worked from a garage and shed at Douglas' home but as business grew they moved to a rented unit on the Commerce Industrial Estate, just outside Croydon, in 1999. The business became incorporated during the same year.

Business continued to increase steadily, as their reputation spread, and they invested in more staff and equipment. They now have six staff in the workshop and a full-time secretary, with their wives also helping in the office on a part-time basis. Turnover for the financial year ending 31 March 2004 reached just under £400,000 with profit before tax of £39,500. Turnover is on target for £445,000, with an increase in profits, for the current year.

1.2.2 Principal Business Activities

The company's core business is the manufacture of bespoke joinery, including

- Windows
- Doors
- Staircases

The basis of business is supply only – mainly for self-build projects and building contractors.

It will also carry out other selective work for special projects – such as panelling – but this is regarded as a secondary activity.

1.2.3 Purpose of Plan

The principal purpose of the business plan is to set out a strategic plan for investment to meet further expansion of the business. The proposal mainly entails the purchase of larger premises, improving production facilities and expanding production capacity to capitalise on the growth opportunities and accommodate a new range of staircases.

It is intended to purchase a 4000 sq ft unit on the Limes Commercial Estate, which will be financed by commercial mortgage and by the Directors. It is envisaged that additional funding of £170,000 will be required to cover the cost of moving, fitting up the new premises and the purchase of new machinery and office systems.

1.3 Current Situation

1.3.1 Overview

The company has outgrown its present facilities and needs to move to larger premises, not only to meet the current growing demand for its traditional joinery work, but also to provide more space in which to develop and manufacture its new range of staircases.