

**Company Registration No. 03938463 (England and Wales)**

**DENVAL CO LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 JULY 2016**

# DENVAL CO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A J Morris Mrs JL Morris Mr L T Millinship Mr T M Partridge
<b>Company number</b>	03938463
<b>Registered office</b>	Guardian House Capital Business Park CARDIFF South Glamorgan UK CF3 2PZ
<b>Accountants</b>	Broomfield & Alexander Limited Ty Derw Lime Tree Court Cardiff Gate Business Park CARDIFF UK CF23 8AB

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# DENVAL CO LIMITED

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# **DENVAL CO LIMITED**

## **DIRECTORS' REPORT**

***FOR THE PERIOD ENDED 31 JULY 2016***

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The directors present their report and financial statements for the period ended 31 July 2016.

### **Principal activities**

The principal activity of the company in the year under review was that of an aluminium metal fabricator, producing windows, curtain walling, fire screens and a range of specialist items.

### **Directors**

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

Mr A J Morris  
Mrs J L Morris  
Mr L T Millinship  
Mr T M Partridge

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr A J Morris  
**Director**  
28 September 2016

## **DENVAL CO LIMITED**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF DENVAL CO LIMITED FOR THE PERIOD ENDED 31 JULY 2016**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Denval Co Limited for the period ended 31 July 2016 set out on pages 3 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

This report is made solely to the Board of Directors of Denval Co Limited, as a body, in accordance with the terms of our engagement letter dated 8 February 2016. Our work has been undertaken solely to prepare for your approval the financial statements of Denval Co Limited and state those matters that we have agreed to state to the Board of Directors of Denval Co Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Denval Co Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Denval Co Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Denval Co Limited. You consider that Denval Co Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Denval Co Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Broomfield & Alexander Limited**

29 September 2016

**Chartered Accountants**

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
CARDIFF  
UK  
CF23 8AB

**DENVAL CO LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 JULY 2016**

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	period ended 31 July 2016 £	31 December 2015 £
Notes		
<b>Turnover</b>	3,265,691	6,603,655
Cost of sales	(2,472,362)	(5,730,092)
	<hr/>	<hr/>
<b>Gross profit</b>	793,329	873,563
Administrative expenses	(595,243)	(1,068,744)
	<hr/>	<hr/>
<b>Operating profit/(loss)</b>	198,086	(195,181)
Interest payable and similar expenses	(11,771)	(17,492)
	<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>	186,315	(212,673)
Taxation	(30,544)	18,154
	<hr/>	<hr/>
<b>Profit/(loss) for the financial period</b>	<u>155,771</u>	<u>(194,519)</u>

# DENVAL CO LIMITED

## BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Goodwill	4		205,711		229,467
Tangible assets	5		64,835		67,997
			<u>270,546</u>		<u>297,464</u>
<b>Current assets</b>					
Stocks		492,000		387,000	
Debtors	6	2,112,321		1,727,701	
Cash at bank and in hand		4,983		22,757	
		<u>2,609,304</u>		<u>2,137,458</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,697,499)</u>		<u>(2,361,023)</u>	
<b>Net current liabilities</b>			<u>(88,195)</u>		<u>(223,565)</u>
<b>Total assets less current liabilities</b>			182,351		73,899
<b>Creditors: amounts falling due after more than one year</b>	8		(168,180)		(216,854)
<b>Provisions for liabilities</b>			<u>(13,584)</u>		<u>(12,227)</u>
<b>Net assets/(liabilities)</b>			<u>587</u>		<u>(155,182)</u>
<b>Capital and reserves</b>					
Called up share capital	10		85		85
Profit and loss reserves			502		(155,267)
<b>Total equity</b>			<u>587</u>		<u>(155,182)</u>

## **DENVAL CO LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 31 JULY 2016**

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For the financial period ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 September 2016 and are signed on its behalf by:

Mr A J Morris

**Director**

**Company Registration No. 03938463**



# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 JULY 2016**

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### **1 Accounting policies**

#### **Company information**

Denvall Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Guardian House, Capital Business Park, CARDIFF, South Glamorgan, UK, CF3 2PZ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

Despite the company having net current liabilities, the financial statements have been prepared on a going concern basis. This presumes that the company will continue to operate for the foreseeable future. The directors are of the opinion that it is appropriate to prepare the financial statements under the going concern assumption as the company will continue to benefit from the support of its directors and its parent company, Brunel Plant Services Limited.

#### **1.3 Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax.

The turnover and pre-tax profit, which arises in the United Kingdom, is attributable to the Company's principal activity.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

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### 1 Accounting policies (Continued)

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	25% on net book value
Fixtures, fittings & equipment	25% on net book value
Motor vehicles	15% on net book value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

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### 1 Accounting policies (Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

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### 1 Accounting policies (Continued)

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

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

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred taxation is provided on all timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

#### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 46 (2015 - 46).

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2016 and 31 July 2016	407,253
<b>Amortisation and impairment</b>	
At 1 January 2016	177,786
Amortisation charged for the period	23,756
At 31 July 2016	201,542
<b>Carrying amount</b>	
At 31 July 2016	205,711
At 31 December 2015	229,467

### 5 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2016	142,228
Additions	5,730
At 31 July 2016	147,958
<b>Depreciation and impairment</b>	
At 1 January 2016	74,229
Depreciation charged in the period	8,894
At 31 July 2016	83,123
<b>Carrying amount</b>	
At 31 July 2016	64,835
At 31 December 2015	67,997

# DENVAL CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

<b>6 Debtors</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	523,597	391,182
Corporation tax recoverable	21,965	21,965
Other debtors	1,566,759	1,314,554
	<u>2,112,321</u>	<u>1,727,701</u>
	<u><u>2,112,321</u></u>	<u><u>1,727,701</u></u>
<b>7 Creditors: amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	156,512	77,695
Trade creditors	1,457,142	1,438,745
Corporation tax	29,187	-
Other taxation and social security	234,238	160,897
Other creditors	820,420	683,686
	<u>2,697,499</u>	<u>2,361,023</u>
	<u><u>2,697,499</u></u>	<u><u>2,361,023</u></u>
<b>8 Creditors: amounts falling due after more than one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	168,180	216,854
	<u>168,180</u>	<u>216,854</u>
	<u><u>168,180</u></u>	<u><u>216,854</u></u>
The long-term loans are secured by fixed and floating charges over all assets.		
<b>9 Provisions for liabilities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred tax liabilities	13,584	12,227
	<u>13,584</u>	<u>12,227</u>
	<u><u>13,584</u></u>	<u><u>12,227</u></u>
<b>10 Called up share capital</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Authorised</b>		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<b>Issued and fully paid</b>		
85 Ordinary Shares of £1 each	85	85
	<u>85</u>	<u>85</u>
	<u><u>85</u></u>	<u><u>85</u></u>

## DENVAL CO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2016

#### 11 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	117,424	2,320
Between two and five years	324,701	89,066
In over five years	348,000	-
	<u>790,125</u>	<u>91,386</u>

#### 12 Parent company

The ultimate parent company is considered to be Brunel Plant Services Limited, a company incorporated in the United Kingdom and registered in England and Wales. A copy of the financial statements of Brunel Plant Services Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff.

In the opinion of the directors the ultimate controlling party is Mr A J Morris, who together with his wife Mrs P L Morris own 100% of the issued share capital of Brunel Plant Services Limited.

#### 13 Related party transactions

##### Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
Other related parties	-	291,249	164,078	291,249
	<u>-</u>	<u>291,249</u>	<u>164,078</u>	<u>291,249</u>

No guarantees have been given or received.

Included in "Amounts due from related parties" is £145,835 (2015: £144,530) and included in "Amounts due to related parties" is £554,516 (2015: £94,119) at the year end.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.