

Company Registration No. 03938463 (England and Wales)

DENVAL CO LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

PAGES FOR FILING WITH REGISTRAR

DENVAL CO LIMITED

COMPANY INFORMATION

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

DENVAL CO LIMITED

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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 YEAR ENDED 31 DECEMBER 2017

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 year ended 31 December 2017 set out on pages 10 to 12 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 year.

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.

MHA Broomfield Alexander

3 May 2018

Chartered Accountants

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

DENVAL CO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	3		148,017		188,742
Tangible assets	4		253,085		164,936
			<u>401,102</u>		<u>353,678</u>
Current assets					
Stocks		707,000		447,000	
Debtors	5	2,154,690		2,133,079	
Cash at bank and in hand		-		239,746	
		<u>2,861,690</u>		<u>2,819,825</u>	
Creditors: amounts falling due within one year	6	<u>(2,520,592)</u>		<u>(2,533,852)</u>	
Net current assets			<u>341,098</u>		<u>285,973</u>
Total assets less current liabilities			<u>742,200</u>		<u>639,651</u>
Creditors: amounts falling due after more than one year	7		(173,995)		(199,548)
Provisions for liabilities			<u>(14,476)</u>		<u>(14,476)</u>
Net assets			<u><u>553,729</u></u>		<u><u>425,627</u></u>
Capital and reserves					
Called up share capital	8		85		85
Profit and loss reserves			<u>553,644</u>		<u>425,542</u>
Total equity			<u><u>553,729</u></u>		<u><u>425,627</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

DENVAL CO LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered 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 23 April 2018 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 YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Denal 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. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2017 are the first financial statements of Denval Co Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2016. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 YEAR ENDED 31 DECEMBER 2017

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.

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.

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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 the lower of replacement cost and 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 at bank and in hand

Cash at bank and in hand 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 balance sheet 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.

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 payments 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.

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 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.

1.13 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 50 (2016 - 45).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2017 and 31 December 2017	407,253
	<hr/>
Amortisation and impairment	
At 1 January 2017	218,511
Amortisation charged for the year	40,725
	<hr/>
At 31 December 2017	259,236
	<hr/>
Carrying amount	
At 31 December 2017	148,017
	<hr/> <hr/>
At 31 December 2016	188,742
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DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017	258,460
Additions	162,925
Disposals	(50,831)
At 31 December 2017	370,554
Depreciation and impairment	
At 1 January 2017	93,527
Depreciation charged in the year	55,140
Eliminated in respect of disposals	(31,198)
At 31 December 2017	117,469
Carrying amount	
At 31 December 2017	253,085
At 31 December 2016	164,936

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	38,497	-
Motor vehicles	152,273	78,165
	190,770	78,165
Depreciation charge for the year in respect of leased assets	33,256	2,581
5 Debtors		
Amounts falling due within one year:		
Trade debtors	554,048	444,392
Corporation tax recoverable	41	1,604
Other debtors	1,600,601	1,687,083
	2,154,690	2,133,079

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	166,796	149,640
Trade creditors	1,787,217	1,673,807
Corporation tax	-	31,790
Other taxation and social security	247,927	251,241
Other creditors	318,652	427,374
	<u>2,520,592</u>	<u>2,533,852</u>

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	51,547	135,760
Other creditors	122,448	63,788
	<u>173,995</u>	<u>199,548</u>

The long-term loans are secured by fixed and floating charges over all assets.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
85 Ordinary Shares of £1 each	85	85
	<u>85</u>	<u>85</u>

9 Operating lease commitments

Lessee

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

	2017 £	2016 £
	653,964	737,102
	<u>653,964</u>	<u>737,102</u>

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of tangible fixed assets	-	90,570
	<u> </u>	<u> </u>

DENVAL CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Related party transactions

Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2017	2016	2017	2016
	£	£	£	£
Other related parties	74,000	41,667	480,695	125,277
	<u>74,000</u>	<u>41,667</u>	<u>480,695</u>	<u>125,277</u>

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Other related parties	-	143,271
	<u>-</u>	<u>143,271</u>

The following amounts were outstanding at the reporting end date:

	2016	2016
	£	£
Amounts owed by related parties		
Other related parties	169,368	145,667
	<u>169,368</u>	<u>145,667</u>
	<u>169,368</u>	<u>145,667</u>

No guarantees have been given or received.

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.