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Company Registration No. 06599929 (England and Wales)

DANIELI HOLDINGS LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2017



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# DANIELI HOLDINGS LIMITED

## COMPANY INFORMATION

<b>Directors</b>	N A Winch S W Howe
<b>Secretary</b>	N A Winch
<b>Company number</b>	06599929
<b>Registered office</b>	Patrick House Gosforth Park Avenue Gosforth Business Park Newcastle upon Tyne NE12 8EG
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 1 St James Gate Newcastle upon Tyne NE1 4AD

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2017

The directors present the strategic report for the year ended 30 April 2017

#### **Fair review of the business**

Phoenix Eye Limited left the group on 3 November 2016 following the Directors decision to restructure the group. Therefore the group only benefited from 6 months of trading from what was the group's most profitable subsidiary

The performance of each group company is measured each month by examining turnover, gross profit percentage and EBITDA against budget. The performance of each of the subsidiaries remaining in the group is discussed below

#### *Northdodge Healthcare Limited*

The principal activity is to provide state of the art respite and residential nursing care for adults with complex healthcare needs. Trading for the year to 30 April 2017 was uncertain at the time of preparing budgets. As a result no budget was prepared for the company

	Result 2017	Result 2016
Turnover	£330k	£483k
Gross profit %	22.9%	(1.1%)
EBITDA	(£13k)	£107k

It has been another disappointing year as the problems with water ingress persisted. This has now been rectified with the care home once again fully open. It is expected that the company will be successful in pursuing its loss of earnings claim against the builder

#### *Education and Training Services (UK) Limited*

The principal activity of the company has been, and will continue to be, the delivery of training programmes within the security sector

	Result 2017	Budget 2017	Result 2016
Turnover	£96k	£69k	£58k
Gross profit %	90.4%	92.6%	89.1%
EBITDA	£39k	£5k	£9k

#### *YOLO (Ponteland) Limited*

The principal activity of the company continues to be the operation of licenced premises. The year to 30 April 2017 was a year in which the company established itself, expanded the premises and grew turnover and margin

	Result 2017	Budget 2017	Result 2016
Turnover	£848k	£888k	£589k
Gross profit %	38.1%	41.8%	27.1%
EBITDA	£111k	£206k	£10k

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2017

#### **Fair review of the business (continued)**

##### *Student Accommodation (UK) Limited*

The property operated by the company was sold in the year to 30 April 2015 in line with the Directors decision to re-focus on the core activities of the group.

##### *Danieli Property Investments Limited*

The principal activity of the company remains the purchase and development of freehold properties not as a developer in the true sense of the word but as a developer operator in whatever sector fits.

The group's performance was as follows:

	Result 2017	Result 2016
Turnover	£7.7m	£12.6m
Gross profit %	29.1%	29.1%
EBITDA	£0.7m	£1.2m

#### **Monitoring and managing risk**

The directors continually analyse key risks to the group. The risks facing the group rest within the subsidiary companies

##### *People*

The group is reliant on its ability to recruit, develop and retain staff to protect the business it has today and to deliver its future growth plans. Employees are provided with training and support that allow them to reach their potential within the company. Remuneration packages and pay rates are compared against security industry data to ensure that they remain competitive.

##### *Reputational and regulatory risk*

Northdridge Healthcare Limited's activities are regulated. The company must comply with various laws and regulations surrounding the provision of respite and residential care. Compliance with these laws and regulations is monitored by the Care Quality Commission. The Directors have put in place suitable safeguards to ensure compliance within this subsidiary.

YOLO (Ponteland) Limited's trade is dependant on retaining a licence to sell alcohol. Should that be withdrawn there would be a significant impact on turnover and profitability. The risk is mitigated by the company employing suitably trained and experienced staff and by carefully managing the running of the business on a daily basis.

#### **Future developments**

The Directors are pleased with the results for the period to 30 April 2017. With Phoenix Eye Limited leaving the group during the year focus of the group in the coming year will be for Northdridge Healthcare Limited to finally overcome the water ingress issues and finally realise it's potential. The Directors also expect YOLO (Ponteland) Limited to grow its turnover further following the expansion of its premises in February 2017. Aside from this the Directors continue to search for opportunities to expand the groups presence within the licensed trade

By order of the board

N A Winch

Secretary

31 January 2018

# **DANIELI HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 APRIL 2017**

The directors present their annual report and financial statements for the year ended 30 April 2017

#### **Principal activities**

The principal activities of the group in the year under review were those of security services, respite care, training services and the operation of a licensed premise.

#### **Directors**

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

N A Winch  
S W Howe

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,357,509 (2016 - £550,000). The directors do not recommend payment of a further dividend.

#### **Financial instruments**

##### ***Financial risk management objectives and policies***

The group finances its operations through a mixture of retained profits, bank borrowings, hire purchase agreements and finance. The management's objectives are to:

- retain sufficient liquid funds to enable the group to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the group's exposure to fluctuation of interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings with the expected future cash flows expected to arise from the group's trading activities.

As all of the group's surplus funds are invested in sterling bank accounts and all of its borrowings are obtained from standard bank overdrafts, loans, hire purchase agreements, finance lease agreements and connected-company borrowings, there is no price risk.

#### **Disabled persons**

The group employs disabled persons when they appear suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

It is the group's policy to give full and fair consideration to the employment of disabled persons (and persons who become disabled whilst employed by the company) and to comply with any current legislation with regard to disabled persons.

## **DANIELI HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 APRIL 2017**

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#### **Employee involvement**

During employment the group seeks to work with employees, taking into account their personal circumstances to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

The group is an equal opportunities employer. It is the group's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment.

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting their employment is on the basis of aptitude and ability.

The group aims to promote employee involvement in order to achieve a shared commitment from all employees to the success of the businesses in which they are employed.

#### **Auditor**

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.


#### **Matters of strategic importance**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board



N. A. Welch  
Secretary

31 January 2018

## **DANIELI HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2017**

The directors are responsible for preparing the Strategic Report and 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DANIELI HOLDINGS LIMITED**

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### **Opinion on financial statements**

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2017 and of the group's 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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### **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 and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report

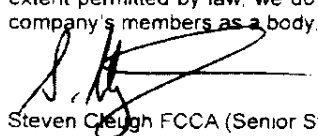
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Cleugh FCCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St. James' Gate  
Newcastle upon Tyne  
NE1 4AD  
31 January 2018



# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	7 732 910	12 593 659
Cost of sales		(5 485 916)	(8 926 971)
<b>Gross profit</b>		2 246 994	3 666 688
Administrative expenses		(2 363 145)	(3 121 188)
Other operating income		539 653	280 515
<b>Operating profit</b>	<b>6</b>	423 502	826 015
Interest receivable and similar income	<b>8</b>	-	50
Interest payable and similar expenses	<b>9</b>	(90 293)	(141 944)
Other gains and losses		110 000	-
<b>Profit before taxation</b>		443 209	684 121
Taxation	<b>10</b>	(174 618)	(27 800)
<b>Profit for the financial year</b>	<b>27</b>	268 591	656 321
<b>Other comprehensive income net of taxation</b>			
Revaluation of tangible fixed assets		381 300	-
<b>Total comprehensive income for the year</b>		649 891	656 321
Profit for the financial year is attributable to			
- Owners of the parent company		245 928	656 478
- Non-controlling interests		22 663	(157)
		268 591	656 321
Total comprehensive income for the year is attributable to			
- Owners of the parent company		627 228	656 478
- Non-controlling interests		22 663	(157)
		649 891	656 321

**DANIELI HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	12	110,989		660,427	
Tangible assets	13	4,551,150		4,812,771	
Investment properties	14	220,340		110,340	
		<u>4,882,479</u>		<u>5,583,538</u>	
<b>Current assets</b>					
Stocks	17	34,704		99,179	
Debtors	18	3,299,679		4,363,866	
Cash at bank and in hand		26,046		30,023	
		<u>3,360,429</u>		<u>4,493,068</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(4,268,567)</u>		<u>(4,657,163)</u>	
<b>Net current liabilities</b>			<u>(908,138)</u>		<u>(164,095)</u>
<b>Total assets less current liabilities</b>			<u>3,974,341</u>		<u>5,419,443</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(1,277,816)</u>		<u>(1,441,567)</u>
<b>Provisions for liabilities</b>	24		<u>(181,453)</u>		<u>(186,345)</u>
<b>Net assets</b>			<u>2,515,072</u>		<u>3,791,531</u>
<b>Capital and reserves</b>					
Called up share capital	26	1,000		1,000	
Revaluation reserve	27	569,581		188,281	
Profit and loss reserves	27	1,975,462		3,655,884	
		<u>2,546,043</u>		<u>3,845,165</u>	
<b>Equity attributable to owners of the parent company</b>			<u>2,546,043</u>		<u>3,845,165</u>
<b>Non-controlling interests</b>			<u>(30,971)</u>		<u>(53,634)</u>
			<u>2,515,072</u>		<u>3,791,531</u>

The financial statements were approved by the board of directors and authorised for issue on 31 January 2018 and are signed on its behalf by:

  
N.A. Winch  
Director

**DANIELI HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 APRIL 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	13	1,634,371	1,240,140
Investments	15	475,080	1,110,023
		<u>2,109,451</u>	<u>2,350,163</u>
<b>Current assets</b>			
Debtors	18	4,395,398	3,883,361
Cash at bank and in hand		37	37
		<u>4,395,435</u>	<u>3,883,398</u>
<b>Creditors: amounts falling due within one year</b>	19	(3,201,488)	(2,887,046)
<b>Net current assets</b>		<u>1,193,947</u>	<u>996,352</u>
<b>Total assets less current liabilities</b>		<u>3,303,398</u>	<u>3,346,515</u>
<b>Creditors: amounts falling due after more than one year</b>	20	(533,852)	(586,534)
<b>Provisions for liabilities</b>	24	(80,048)	(11,976)
<b>Net assets</b>		<u>2,689,498</u>	<u>2,748,005</u>
<b>Capital and reserves</b>			
Called up share capital	26	1,000	1,000
Revaluation reserve	27	415,000	125,000
Profit and loss reserves	27	2,273,498	2,622,005
<b>Total equity</b>		<u>2,689,498</u>	<u>2,748,005</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,009,002 (2016 - £304,479 loss).

The financial statements were approved by the board of directors and authorised for issue on 31 January 2018 and are signed on its behalf by

  
N.A. Wimala  
Director

# **DANIELI HOLDINGS LIMITED**

## **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£
<b>Balance at 1 May 2015</b>		1 000	188,281	3,549,406	3 738,687	(53,477)	3,685,210
<b>Year ended 30 April 2016:</b>							
Profit and total comprehensive income for the year		-	-	656,478	656,478	(157)	656,321
Dividends	11	-	-	(550,000)	(550,000)	-	(550,000)
<b>Balance at 30 April 2016</b>		1 000	188,281	3,655,884	3 845 165	(53,634)	3 791 531
<b>Year ended 30 April 2017:</b>							
Profit for the year		-	-	245 928	245 928	22 663	268 591
Other comprehensive income net of taxation.							
Revaluation of tangible fixed assets		-	381,300	-	381 300	-	381 300
Total comprehensive income for the year		-	381,300	245,928	627 228	22,663	649 891
Dividends	11	-	-	(1 835,050)	(1,835,050)	-	(1,835 050)
Transfers		-	-	(91,300)	(91 300)	-	(91 300)
<b>Balance at 30 April 2017</b>		1,000	569,581	1 975 462	2 546 043	(30,971)	2,515,072

# DANIELI HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2015</b>		1 000	125 000	3 476 484	3 602 484
<b>Year ended 30 April 2016:</b>					
Loss and total comprehensive income for the year		-	-	(304 479)	(304 479)
Dividends	11	-	-	(550 000)	(550 000)
<b>Balance at 30 April 2016</b>		1 000	125 000	2 622 005	2 748 005
<b>Year ended 30 April 2017:</b>					
Profit for the year		-	-	1 009 002	1 009 002
Other comprehensive income net of taxation					
Revaluation of tangible fixed assets		-	290 000	-	290 000
Total comprehensive income for the year		-	290 000	1 009 002	1 299 002
Dividends	11	-	-	(1 357 509)	(1 357 509)
<b>Balance at 30 April 2017</b>		1 000	415 000	2 273 498	2 689 498

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1 363 966		686 673	
Interest paid		(90 293)		(141 944)	
Income taxes paid		(344 434)		(78 334)	
<b>Net cash inflow from operating activities</b>		929 239		466 395	
<b>Investing activities</b>					
Purchase of intangible assets		(171 227)		-	
Purchase of tangible fixed assets		(470 487)		(654 143)	
Proceeds on disposal of tangible fixed assets		13 160		12 500	
Proceeds on disposal of subsidiaries		497 162		-	
Interest received		-		50	
<b>Net cash used in investing activities</b>		(131 392)		(641 593)	
<b>Financing activities</b>					
Proceeds of new bank loans		-		1 137 000	
Repayment of bank loans		(56 712)		(828 902)	
Payment of finance leases obligations		(98 542)		(327 568)	
<b>Net cash used in financing activities</b>		(155 254)		(19 470)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		642 593		(194 668)	
Cash and cash equivalents at beginning of year		(637 077)		(442 409)	
<b>Cash and cash equivalents at end of year</b>		5 516		(637 077)	
<b>Relating to:</b>					
Cash at bank and in hand		26 046		30 023	
Bank overdrafts included in creditors payable within one year		(20 530)		(667 100)	

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

### 1 Accounting policies

#### Company information

Danieli Holdings Limited (the company) is a private company limited by shares and is registered domiciled and incorporated in England and Wales. The registered office is Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG.

The group consists of Danieli Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 at fair value. The principal accounting policies adopted are set out below.

#### Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7, Statement of Cash Flows – Presentation of a statement of cash flow and related notes and disclosures
- Section 11, Basic Financial Instruments, and Section 12, Other Financial Instrument Issues – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 26, Share-based Payment – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements
- Section 33, Related Party Disclosures – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Danieli Holdings Limited. The consolidated financial statements of Danieli Holdings Limited are available from its registered office, Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG.

# **DANIELI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017**

### **1 Accounting policies (Continued)**

#### **Basis of consolidation**

The consolidated financial statements incorporate those of Danieli Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 April 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

#### **Going concern**

The group has net current liabilities. The directors have at the time of approving the financial statements, a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

#### **Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business 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 20 years as, in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

#### **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.



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets other than freehold land, less their residual values over their useful lives on the following bases

Plant & machinery	10 - 25% straight line or 20 - 25% reducing balance
Fixtures and fittings	10 - 25% straight line or 15 - 20% reducing balance
Office equipment	20 - 25% straight line or 25% reducing balance
Motor vehicles	25% straight line or 20 - 25% reducing balance

Plant & machinery includes CCTV equipment

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

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity such gains and loss are recognised in profit or loss

#### Investment properties

Investment property which is property held to earn rentals and/or for capital appreciation is initially recognised at cost which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss

#### Fixed asset investments

In the separate accounts of the company interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### Impairment of fixed assets

At each reporting period end date the group 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

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress includes direct labour costs and overheads appropriate to the stage of manufacture

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 1 Accounting policies (Continued)

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.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments 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.

#### **Financial instruments**

The group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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.

#### **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 group 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 group after deducting all of its liabilities.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities including trade and other creditors, bank loans and overdrafts and amounts owed to group undertakings 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.

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

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of 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 group.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2017

#### 1 Accounting policies (Continued)

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit) deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

##### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments

##### 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability

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 group'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.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Security services	6 472 123	11 257 189
Training services	83 520	26 501
Respite care services	329 561	720 776
Operation of licenced premises	847 706	589 193
	7 732 910	12 593 659
<b>Other revenue</b>		
Interest income	-	50
Rent receivable	-	15 678
Sundry income	539 653	264 837

All of the group's turnover is attributable to activities location in the UK.

### 4 Employees

The average monthly number of persons (including directors) employed during the year was

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Site	565	1 349	-	-
Administration	26	27	26	27
	591	1 376	26	27

Their aggregate remuneration comprised

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	5 595,267	9,852 384	630 949	502 053
Social security costs	299,069	486 044	53 734	5 578
Pension costs	19,272	32,181	3 239	-
	5 913 608	10 370 609	687 922	507 631

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 5 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	99 647	100 100

### 6 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	205 033	261 385
Depreciation of tangible fixed assets held under finance leases	69 479	73 898
(Profit)/loss on disposal of tangible fixed assets	(200)	730
Profit on disposal of investment property	(12 126)	-
Amortisation of intangible assets	48 694	58 051
Operating lease charges	8 812	9 951

### 7 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4 000	3 000
Audit of the financial statements of the company's subsidiaries	11 000	8 000
	15 000	11 000

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	-	50
Investment income includes the following		
Interest on financial assets not measured at fair value through profit or loss	-	50

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 9 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	50 042	48 145
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	16 900	55 015
Other interest	23 351	38 784
Total finance costs	90 293	141 944

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	18 700	75 039
Adjustments in respect of prior periods	169 435	(97 535)
Total current tax	188 135	(22 496)
<b>Deferred tax</b>		
Origination and reversal of timing differences	(13 517)	50 296
Total tax charge	174 618	27 800

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows

	2017 £	2016 £
Profit before taxation	443 209	684 121
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	88 642	136 824
Tax effect of expenses that are not deductible in determining taxable profit	(802)	25 672
Adjustments in respect of prior years	169 435	(91 472)
Effect of change in corporation tax rate	(3 725)	(14 329)
Group relief	(60 396)	-
Depreciation on assets not qualifying for tax allowances	-	9 715
Research and development tax credit	-	(29 607)
Other permanent differences	(26 485)	-
Other short term timing differences	(27)	(923)
Deferred tax not recognised	7 976	(8 080)
Taxation charge for the year	174 618	27 800

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 11 Dividends

	2017 £	2016 £
Final paid	1 357 509	550 000

### 12 Intangible fixed assets

Group	Goodwill £	Customer list £	Total £
<b>Cost</b>			
At 1 May 2016	1 159 063	-	1 159 063
Additions - separately acquired	-	205 827	205 827
Disposals	(922 346)	(205 827)	(1 128 173)
At 30 April 2017	236 717	-	236 717
<b>Amortisation and impairment</b>			
At 1 May 2016	498 636	-	498 636
Amortisation charged for the year	33 992	14 702	48 694
Disposals	(406 900)	(14 702)	(421 602)
At 30 April 2017	125 728	-	125 728
<b>Carrying amount</b>			
At 30 April 2017	110 989	-	110 989
At 30 April 2016	660 427	-	660 427

The company had no intangible fixed assets at 30 April 2017 or 30 April 2016



# **DANIELI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2017**

### **13 Tangible fixed assets**

Group	Freehold land and buildings	Leasehold land and buildings	Plant & machinery	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 May 2016	2,988,023	411,722	1,248,686	628,792	296,703	499,470	6,073,396
Additions	114,692	95,052	40,685	41,338	30,750	147,970	470,487
Disposals	-	-	(1,189,972)	(262,916)	-	(307,779)	(1,760,667)
Revaluation	375,000	-	-	-	-	-	375,000
At 30 April 2017	3,477,715	506,774	99,399	407,214	327,453	339,661	5,158,216
<b>Depreciation and impairment</b>							
At 1 May 2016	-	24,576	619,903	290,749	124,470	200,927	1,260,625
Depreciation charged in the year	-	42,469	82,605	45,439	40,061	63,938	274,512
Eliminated in respect of disposals	-	-	(657,044)	(137,839)	-	(133,188)	(928,071)
At 30 April 2017	-	67,045	45,464	198,349	164,531	131,677	607,066
<b>Carrying amount</b>							
At 30 April 2017	3,477,715	439,729	53,935	208,865	162,922	207,984	4,551,150
At 30 April 2016	2,988,023	387,146	628,783	338,043	172,233	298,543	4,812,771

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2017

Company	Freehold land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 May 2016	925 000	3 850	251 947	196 559	1 377 356
Additions	-	-	24 448	88 968	113 416
Disposals	-	-	-	(17 990)	(17 990)
Revaluation	375 000	-	-	-	375 000
At 30 April 2017	1 300 000	3 850	276 395	267 537	1 847 782
<b>Depreciation and impairment</b>					
At 1 May 2016	-	1 621	94 422	41 173	137 216
Depreciation charged in the year	-	328	34 621	46 276	81 225
Eliminated in respect of disposals	-	-	-	(5 030)	(5 030)
At 30 April 2017	-	1 949	129 043	82 419	213 411
<b>Carrying amount</b>					
At 30 April 2017	1 300 000	1 901	147 352	185 118	1 634 371
At 30 April 2016	925 000	159 754	-	155 386	1 240 140

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

	Group 2017 £	2016 £	Company 2017 £	2016 £
Motor vehicles	303,981	290,930	151,806	172,721
Office equipment	1,144	160,622	-	-
	305,125	451,552	151,806	172,721
Depreciation charge for the year in respect of leased assets	69,479	73,898	33,287	34,301

#### 14 Investment property

	Group 2017 £	Company 2017 £
<b>Fair value</b>		
At 1 May 2016 and 30 April 2017	110 340	-
Net gains or losses through fair value adjustments	110 000	-
At 30 April 2017	220 340	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 14 Investment property (Continued)

Investment property comprises a lease at Belle Villas Ponteland. The fair value of the investment property has been arrived at on the basis of a valuation carried out during the year ended 30 April 2017. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The historical cost of the investment properties is £47,059 (2016 - £47,059).

### 15 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	16	-	-	475,080	1,110,023

#### Movements in fixed asset investments

Company	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 May 2016	1,110,023
Disposals	(634,943)
At 30 April 2017	475,080
<b>Carrying amount</b>	
At 30 April 2017	475,080
At 30 April 2016	1,110,023

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 16 Subsidiaries

Details of the company's subsidiaries at 30 April 2017 are as follows

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Northridge Healthcare Limited	Patrick House Gosforth Park Avenue, Gosforth Business Park Newcastle upon Tyne NE12 8EG	Respite care services	Ordinary	100.00	-
Education and Training Services (UK) Limited	As above	Training services	Ordinary	100.00	-
YOLO (Ponteland) Limited	As above	Licensed bar and restaurant	Ordinary	100.00	-
Student Accommodation Limited	As above	Student accommodation	Ordinary	100.00	-
Danieli Property Investments Limited	As above	Property investment	Ordinary	100.00	-
Leisuretime Pubgroup Limited	As above	Dormant*	Ordinary	100.00	-
Leisuretime (Leasehold) Limited	As above	Dormant*	Ordinary	-	100.00
Leisuretime (Freehold) Limited	As above	Dormant*	Ordinary	-	100.00
Phoenix Security (UK) Limited	As above	Dormant	Ordinary	100.00	-

\* denotes subsidiary is exempt from audit under section 479A of the Companies Act 2006

During the year the company disposed of its investment in Phoenix Eye Limited

The results of the subsidiaries have been included in the consolidated financial statements

### 17 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	34,704	99,179	-	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 18 Debtors

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	7 203	1 615 026	-	4 569
Amounts owed by group undertakings	-	-	2 816 065	2 613 389
Other debtors	2 281 287	1 316 537	1 341 378	1 164 856
Prepayments and accrued income	1 011 189	1 432 303	237 955	100 547
	3 299 679	4 363 866	4 395 398	3 883 361

### 19 Creditors: amounts falling due within one year

	Notes	Group 2017	2016	Company 2017	2016
		£	£	£	£
Bank loans and overdrafts	21	378 054	997 319	60 477	58 244
Obligations under finance leases	22	74 668	311 297	74 668	94 693
Trade creditors		186 251	112 990	78 017	67 617
Amounts due to group undertakings		-	-	1 072 691	2 522 795
Corporation tax payable		54 203	297 607	54 203	-
Other taxation and social security		125 388	933 339	97 733	76 348
Other creditors		3 317 386	1 615 691	1 672 070	22 032
Accruals and deferred income		132 617	388 920	91 629	45 317
		4 268 567	4 657 163	3 201 488	2 887 046

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2017	2016	Company 2017	2016
		£	£	£	£
Bank loans and overdrafts	21	1 211 751	1 295 768	467 787	513 768
Obligations under finance leases	22	66 065	145 799	66 065	72 766
		1 277 816	1 441 567	533 852	586 534

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2017

#### 21 Borrowings

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	1 569 275	1 625 987	512 671	556 347
Bank overdrafts	562 440	667 100	15 593	15 665
	2 131 715	2 293 087	528 264	572 012
Payable within one year	919 964	997 319	60 477	58 244
Payable after one year	1 211 751	1 295 768	467 787	513 768

The long-term loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017)

The group has three term loans with AIB Bank plc

The balance on the first loan as at 30 April 2017 was £512 671 (2016 - £556 347). This bank loan runs until 1 June 2020. Repayments of £39 135 are due quarterly inclusive of capital and interest. At the end of the term the outstanding amount due under the loans will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

The balance on the second loan as at 30 April 2017 was £1 006 567 (2016 - £1 069 640). This bank loan runs until 1 June 2020. Repayments of £23 970 are due quarterly inclusive of capital and interest. At the end of the term the outstanding amount due under the loans will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

The balance on the third loan as at 30 April 2017 was £50 037. This bank loan runs for 2 years from date of first draw down. Repayments are £6 448 due quarterly inclusive of capital and interest. Interest is charged at 3.25% per annum varying 2.75% above bank base rate currently 0.5%.

#### 22 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases				
Less than one year	86 038	376 415	86 038	106 009
Between one and five years	77 007	164 904	77 007	87 582
	163 045	541 319	163 045	193 591
Less: future finance charges	(22 312)	(84 223)	(22 312)	(26 132)
	140 733	457 096	140 733	167 459

Obligations under finance leases are secured on the assets to which they relate

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

### 23 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2 288 395	1 645 049	4 155 647	3 782 814
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	5 767 969	2 794 997	3 442 671	3 229 773

### 24 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are

	Liabilities 2017 £	Liabilities 2016 £
<b>Group</b>		
Accelerated capital allowances	94 681	186 345
Revaluations	68 072	-
Investment property	18 700	-
	181 453	186 345
	Liabilities 2017 £	Liabilities 2016 £
<b>Company</b>		
Accelerated capital allowances	11 976	11 976
Revaluations	68 072	-
	80 048	11 976
	Group 2017 £	Company 2017 £
<b>Movements in the year:</b>		
Liability at 1 May 2016	186 345	11 976
Credit to profit or loss	(13 517)	-
Charge to other comprehensive income	68 072	68 072
Transfer on disposal	(95 075)	-
Liability at 30 April 2017	145 825	80 048

## DANIELI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017

#### 25 Retirement benefit schemes

	2017	2016
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	19 272	32 181

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund

Contributions totalling £3 454 (2016 - £11 793) were payable to the fund at the year end and are included in creditors

#### 26 Share capital

	Group and company	
	2017	2016
Ordinary share capital	£	£
Issued and fully paid		
1 000 Ordinary of £1 each	1 000	1 000

##### *Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company

#### 27 Reserves

##### **Revaluation reserve**

Cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit and loss

##### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2017

#### 28 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	268 591	656 321
Adjustments for		
Taxation charged	174 618	27 800
Finance costs	90 293	141 944
Investment income	-	(50)
(Gain)/loss on disposal of tangible fixed assets	(200)	730
Amortisation and impairment of intangible assets	48 694	58 051
Depreciation and impairment of tangible fixed assets	274 512	335 283
Other gains and losses	(110 000)	-
Movements in working capital		
(Increase) in stocks	(154 572)	(51 895)
(Increase) in debtors	(4 110 280)	(607 441)
Increase in creditors	4 882 310	125 930
<b>Cash generated from operations</b>	<b>1 363 966</b>	<b>686 673</b>

#### 29 Capital commitments

Amounts contracted for but not provided in the financial statements

	Group 2017 £	2016 £	Company 2017 £	2016 £
Acquisition of tangible fixed assets	11 433	-	-	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

### 30 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group who are also directors is as follows

	2017 £	2016 £
Aggregate compensation	99,647	100,100

#### Transactions with related parties

During the year the group entered into the following transactions with related parties

	Sale of goods		Purchase of goods	
	2017 £	2016 £	2017 £	2016 £
<b>Company</b>				
Other related parties	671,560	-	4,121	-

The following amounts were outstanding at the reporting end date

	Amounts owed to related parties	
	2017 £	2016 £
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	1,072,691	2,522,795

	Amounts owed by related parties	
	2017 £	2016 £
<b>Group</b>		
Key management personnel	574,841	662,726
Other related parties	-	396,138
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	2,816,065	2,613,389
Key management personnel	577,821	535,706
Other related parties	-	432,465

## **DANIELI HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2017**

#### **31 Controlling party**

The directors consider the group to be jointly controlled by S Howe and N A Winch by virtue of their holdings in the company Danieli Holdings Limited

Danieli Holdings Limited is the smallest and largest group for which consolidated financial statements including Danieli Holdings Limited are prepared