

Parent of 07052639

Company Registration No. 06599929 (England and Wales)

DANIELI HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2019

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DANIELI HOLDINGS LIMITED

COMPANY INFORMATION

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

DANIELI HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business

Danieli Holdings Limited is a holding company that provides head office services to its subsidiaries and related parties. Its income relates to recharges of various costs, such as head office salaries, rent and ancillary services.

Throughout the year the group consisted of Danieli Holdings Limited and its subsidiaries listed in note 14 of the financial statements. The principal activities of each of the subsidiaries is also listed in note 14.

The group's performance was as follows:

	2019	2018	Variance
Turnover	£1,957k	£2,055k	(£98k)
Gross profit	£776k	£827k	(£51k)
EBITDA	£71k	£185k	(£114k)
Net assets	£1,914k	£1,864k	£50k

The performance of each trading group entity is measured each month by the directors by reviewing the above key performance indicators. A fair review of business including these key performance indicators is included below for each trading entity that materially impacts upon group results:

Northridge Healthcare Limited

The principal activity of the company continued to be that of short-term respite care. The care home was closed for part of the 2017 financial year due to damage to the property. The care home has therefore been on its way to regaining full operational capacity.

	2019	2018	Variance
Turnover	£822k	£913k	(£91k)
Gross profit	£220k	£288k	(£68k)
EBITDA	(£172k)	£166k	(£338k)
Net assets	(£45k)	£161k	(£206k)

Turnover fell to £822k in 2019 from £913k in 2018, a decrease of £91k. The decrease in turnover occurred due to fluctuations in occupancy after the period of closure in 2017. This impacted on other KPIs with gross margin decreasing from 31.5% to 24.3% and net assets decreasing from £166k to net liabilities of £45k.

The directors consider that careful management of costs should lead to further positive performance from the care home in the future. The directors are committed to maintaining the property to a high standard and investing in staff to provide the best possible care to residents and users of the facility. During the year, an exceptional cost was incurred of £425k, in relation to repair costs.

YOLO (Ponteland) Limited

The principal activity of the company continued to be the operation of a licensed premises.

	2019	2018	Variance
Turnover	£902k	£1,069k	(£167k)
Gross profit	£468k	£469k	(£1k)
EBITDA	£227k	£234k	(£7k)
Net assets	£281k	£136k	£145k

The company further established itself in the market place during 2019. Although there was a decrease in turnover, the directors are satisfied with the performance and the increase in the net assets position in the year.

DANIELI HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Monitoring and managing risk

The directors continually analyse key risks to the group. All the risks facing the group rest within the subsidiary company:

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:

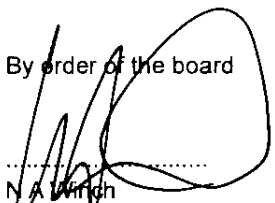
Compliance with regulations is a risk and could potentially impact on the reputation of the group along with the ability to admit residents to the care home operated by the group. The group ensures it follows all Care Quality Commission (CQC) regulations, including local authority and clinical commissioning group contractual requirements, with senior team members attending appropriate courses and conferences to make sure the group is always fully up to date with any anticipated updates or changes. Yolo (Ponteland) Limited operates in the bars and leisure sector. The group ensures it follows all necessary licensing regulations in order to mitigate the risk of regulatory issues.

Future developments

The Directors are satisfied with the results for the year to 30 April 2019 and continue to look for encouraging performance of all subsidiaries in the group.

The group is committed to continuing to invest in its staff and systems to ensure that our customer service continues to be outstanding, differentiating us from the competition.

By order of the board



.....
N.A. Birch
Secretary

Date: 30 January 2020

DANIELI HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

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

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
D Winch

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid (2018: £660,000). 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 borrowings from related entities. 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.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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. It has done so in respect of future developments and risk management.

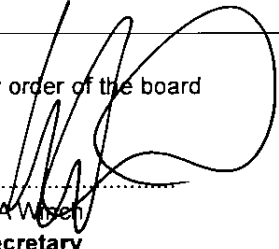
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

DANIELI HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2019**

By order of the board



.....
N.A. Wizen
Secretary

Date: 30 January 2020

DANIELI HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

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; and
- 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

Opinion

We have audited the financial statements of Danieli Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DANIELI HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

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DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	1,957,452	2,054,512
Cost of sales		(1,181,830)	(1,226,937)
Gross profit		<u>775,622</u>	<u>827,575</u>
Administrative expenses		(2,353,648)	(1,841,845)
Other operating income		1,428,535	1,001,818
Operating loss	6	<u>(149,491)</u>	<u>(12,452)</u>
Share of results of associates and joint ventures		235,857	-
Interest payable and similar expenses	8	(54,739)	(51,380)
Profit/(loss) before taxation		<u>31,627</u>	<u>(63,832)</u>
Tax on profit/(loss)	9	17,976	72,996
Profit for the financial year		<u><u>49,603</u></u>	<u><u>9,164</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		49,603	7,712
- Non-controlling interests		-	1,452
		<u><u>49,603</u></u>	<u><u>9,164</u></u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		49,603	7,712
- Non-controlling interests		-	1,452
		<u><u>49,603</u></u>	<u><u>9,164</u></u>

DANIELI HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Goodwill	11		91,123		101,056
Tangible assets	12		4,835,647		4,948,899
Investments	13		355,857		120,000
			<u>5,282,627</u>		<u>5,169,955</u>
Current assets					
Stocks	16	41,010		25,252	
Debtors	17	6,218,311		4,241,787	
Cash at bank and in hand		33,796		21,623	
		<u>6,293,117</u>		<u>4,288,662</u>	
Creditors: amounts falling due within one year	18	(8,265,836)		(6,005,249)	
Net current liabilities			<u>(1,972,719)</u>		<u>(1,716,587)</u>
Total assets less current liabilities			<u>3,309,908</u>		<u>3,453,368</u>
Creditors: amounts falling due after more than one year	19		(1,318,100)		(1,482,456)
Provisions for liabilities	23		(77,969)		(106,676)
Net assets			<u>1,913,839</u>		<u>1,864,236</u>
Capital and reserves					
Called up share capital	25		1,000		1,000
Revaluation reserve	26		415,000		415,000
Profit and loss reserves	26		1,527,358		1,477,755
Equity attributable to owners of the parent company			<u>1,943,358</u>		<u>1,893,755</u>
Non-controlling interests			<u>(29,519)</u>		<u>(29,519)</u>
			<u>1,913,839</u>		<u>1,864,236</u>

The financial statements were approved by the board of directors and authorised for issue on 30.1.2020 and are signed on its behalf by:

.....
N A Winch
Director

DANIELI HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		1,826,382		1,885,399
Investments	13		595,080		595,080
			<u>2,421,462</u>		<u>2,480,479</u>
Current assets					
Debtors	17	7,044,088		5,075,506	
Creditors: amounts falling due within one year	18	(7,353,725)		(5,202,686)	
Net current liabilities			<u>(309,637)</u>		<u>(127,180)</u>
Total assets less current liabilities			<u>2,111,825</u>		<u>2,353,299</u>
Creditors: amounts falling due after more than one year	19		(505,276)		(607,149)
Net assets			<u>1,606,549</u>		<u>1,746,150</u>
Capital and reserves					
Called up share capital	25		1,000		1,000
Revaluation reserve	26		415,000		415,000
Profit and loss reserves	26		1,190,549		1,330,150
Total equity			<u>1,606,549</u>		<u>1,746,150</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 loss for the year was £139,601 (2018 - £283,348 loss).

The financial statements were approved by the board of directors and authorised for issue on 30.1.2020 and are signed on its behalf by:

.....
N.A. Winch
Director

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Share capital	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£
Balance at 1 May 2017	1,000	569,581	1,975,462	2,546,043	(30,971)	2,515,072
Year ended 30 April 2018:						
Profit and total comprehensive income for the year	-	-	7,712	7,712	1,452	9,164
Dividends	-	-	(660,000)	(660,000)	-	(660,000)
Transfers	-	(154,581)	154,581	-	-	-
Balance at 30 April 2018	1,000	415,000	1,477,755	1,893,755	(29,519)	1,864,236
Year ended 30 April 2019:						
Profit and total comprehensive income for the year	-	-	49,603	49,603	-	49,603
Balance at 30 April 2019	1,000	415,000	1,527,358	1,943,358	(29,519)	1,913,839

DANIELI HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		1,000	415,000	2,273,498	2,689,498
Year ended 30 April 2018:					
Loss and total comprehensive income for the year		-	-	(283,348)	(283,348)
Dividends	10	-	-	(660,000)	(660,000)
Balance at 30 April 2018		1,000	415,000	1,330,150	1,746,150
Year ended 30 April 2019:					
Loss and total comprehensive income for the year		-	-	(139,601)	(139,601)
Balance at 30 April 2019		1,000	415,000	1,190,549	1,606,549

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	27	295,809		1,322,344	
Interest paid		(54,739)		(51,380)	
Income taxes paid		(378)		(78,756)	
Net cash inflow from operating activities		240,692		1,192,208	
Investing activities					
Purchase of tangible fixed assets		(57,270)		(326,037)	
Proceeds on disposal of tangible fixed assets		17,574		29,684	
Purchase of associates		-		(31,763)	
Purchase of fixed asset investments		-		(15)	
Other investments and loans made		(65,200)		(224,348)	
Net cash used in investing activities		(104,896)		(552,479)	
Financing activities					
Proceeds of new bank loans		-		175,000	
Repayment of bank loans		(118,198)		(147,274)	
Payment of finance leases obligations		(135,497)		(36,359)	
Dividends paid to equity shareholders		-		(660,000)	
Net cash used in financing activities		(253,695)		(668,633)	
Net decrease in cash and cash equivalents		(117,899)		(28,904)	
Cash and cash equivalents at beginning of year		(23,388)		5,516	
Cash and cash equivalents at end of year		(141,287)		(23,388)	
Relating to:					
Cash at bank and in hand		33,796		21,623	
Bank overdrafts included in creditors payable within one year		(175,083)		(45,011)	

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies

Company information

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

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 33 'Related Party Disclosures' – Compensation for key management personnel.

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).

All financial statements are made up to 30 April 2019. 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.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

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.

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. Turnover is recognised as the service is delivered to the end user. 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.

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:

Freehold land and buildings	2% straight line
Leasehold land and buildings	10% straight line
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	20% straight line

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.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

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.

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 30 April 2019.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

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).

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.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

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.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction 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.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting policies (Continued)

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.

Deferred tax

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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

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.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £	2018 £
Turnover analysed by class of business		
Training services	24,480	78,735
Respite care services	822,242	913,354
Operation of licenced premises	1,110,730	1,062,423
	<u>1,957,452</u>	<u>2,054,512</u>

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

4 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Site	56	44	-	-
Administration	44	30	44	29
	<u>100</u>	<u>74</u>	<u>44</u>	<u>29</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,598,754	1,492,101	915,324	731,171
Social security costs	133,614	117,207	79,317	66,536
Pension costs	17,200	7,167	8,890	4,104
	<u>1,749,568</u>	<u>1,616,475</u>	<u>1,003,531</u>	<u>801,811</u>

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	-	21,824

6 Operating loss

	2019 £	2018 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	135,133	142,105
Depreciation of tangible fixed assets held under finance leases	75,274	45,128
Loss on disposal of tangible fixed assets	2,218	5,118
Amortisation of intangible assets	9,933	9,933
Cost of stocks recognised as an expense	367,643	359,047

7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	4,500	4,000
Audit of the financial statements of the company's subsidiaries	4,500	4,000
	9,000	8,000

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	52,938	50,796
Interest on finance leases and hire purchase contracts	1,801	584
Total finance costs	54,739	51,380

9 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	(112,504)	-
Adjustments in respect of prior periods	115,636	24,553
Total current tax	3,132	24,553

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

9 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	(37,928)	(97,549)
Adjustment in respect of prior periods	16,820	-
Total deferred tax	(21,108)	(97,549)
Total tax credit	(17,976)	(72,996)

The total tax credit for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit/(loss) before taxation	31,627	(63,832)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	6,009	(12,128)
Tax effect of expenses that are not deductible in determining taxable profit	(40,682)	(40,389)
Gains not taxable	-	4,126
Adjustments in respect of prior years	115,636	24,553
Permanent capital allowances in excess of depreciation	5,761	(13,553)
Amortisation on assets not qualifying for tax allowances	1,887	1,887
Other permanent differences	-	15
Deferred tax adjustments in respect of prior years	16,820	3,871
Tax at marginal rate	10,347	-
Other short term timing differences	-	40,573
Deferred tax not recognised	(133,754)	(95,551)
Fixed asset differences	-	13,600
Taxation credit	(17,976)	(72,996)

10 Dividends

	2019 £	2018 £
Final paid	-	660,000

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2018 and 30 April 2019	236,717
Amortisation and impairment	
At 1 May 2018	135,661
Amortisation charged for the year	9,933
At 30 April 2019	145,594
Carrying amount	
At 30 April 2019	91,123
At 30 April 2018	101,056

The company had no intangible fixed assets at 30 April 2019 or 30 April 2018.

Amortisation is included within administrative expenses in the Statement of Comprehensive Income.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

12 Tangible fixed assets							
Group	Freehold land and buildings	Leasehold land and buildings	Plant & machinery	Fixtures and fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£	£
At 1 May 2018	3,660,087	739,569	100,821	432,168	338,668	447,670	5,718,983
Additions	-	40,698	263	5,956	6,192	63,838	116,947
Disposals	-	-	-	(4,608)	(34,965)	(24,639)	(64,212)
At 30 April 2019	3,660,087	780,267	101,084	433,516	309,895	486,869	5,771,718
Depreciation and impairment							
At 1 May 2018	-	118,238	51,926	232,735	202,889	164,296	770,084
Depreciation charged in the year	-	53,574	6,535	34,679	36,838	78,781	210,407
Eliminated in respect of disposals	-	-	-	(565)	(34,965)	(8,890)	(44,420)
At 30 April 2019	-	171,812	58,461	266,849	204,762	234,187	936,071
Carrying amount							
At 30 April 2019	3,660,087	608,455	42,623	166,667	105,133	252,682	4,835,647
At 30 April 2018	3,660,087	621,331	48,895	199,433	135,779	283,374	4,948,899

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

Company	Freehold land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2018	1,492,500	3,850	285,822	406,558	2,188,730
Additions	-	-	6,192	63,838	70,030
Disposals	-	(565)	(34,965)	(24,639)	(60,169)
At 30 April 2019	1,492,500	3,285	257,049	445,757	2,198,591
Depreciation and impairment					
At 1 May 2018	-	2,278	164,564	136,489	303,331
Depreciation charged in the year	-	329	34,188	78,781	113,298
Eliminated in respect of disposals	-	(565)	(34,965)	(8,890)	(44,420)
At 30 April 2019	-	2,042	163,787	206,380	372,209
Carrying amount					
At 30 April 2019	1,492,500	1,243	93,262	239,377	1,826,382
At 30 April 2018	1,492,500	1,572	121,258	270,069	1,885,399

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Motor vehicles	244,279	153,514	244,279	153,514

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	475,080	475,080
Investments in associates	15	355,842	119,985	119,985	119,985
Unlisted investments		15	15	15	15
		355,857	120,000	595,080	595,080

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

13 Fixed asset investments (Continued)

Movements in fixed asset investments Group

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 May 2018	119,985	15	120,000
Share in profit of associates	235,857	-	235,857
At 30 April 2019	355,842	15	355,857
Carrying amount			
At 30 April 2019	355,842	15	355,857
At 30 April 2018	119,985	15	120,000

Movements in fixed asset investments Company

	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 May 2018 and 30 April 2019	595,065	15	595,080
Carrying amount			
At 30 April 2019	595,065	15	595,080
At 30 April 2018	595,065	15	595,080

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Danieli Property Investments Limited	1	Property investment	Ordinary	100.00	-
Education and Training Services (UK) Limited	1	Training services	Ordinary	100.00	-
Leisuretime (Freehold) Limited	1	Non-trading licensed ★ premises	Ordinary	-	100.00
Leisuretime (Leasehold) Limited	1	Licensed premises ★	Ordinary	-	100.00
Leisuretime Pub Group Limited	1	Dormant★	Ordinary	100.00	-
Northridge Healthcare Limited	1	Respite care services	Ordinary	100.00	-
Phoenix Security (UK) Limited	1	Dormant	Ordinary	100.00	-
Student Accommodation Limited	1	Student accommodation	Ordinary	100.00	-
YOLO (Ponteland) Limited	1	Licensed bar and restaurant	Ordinary	100.00	-
White Liquid Solutions Limited	1	Dormant★	Ordinary	50.00	-

Registered Office address:

1 Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG

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

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

15 Associates

Details of associates at 30 April 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Stack Containers Limited	1	Unit rentals	Ordinary	30.00	-
Stack Trading Limited	1	Licensed bar and restaurant	Ordinary	-	30.00
Boutique Bar and Tipi Company Limited	1	Public houses and bars	Ordinary	30.00	-

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Finished goods and goods for resale	41,010	25,252	-	-

17 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	83,252	61,483	3,348	2,425
Corporation tax recoverable	378	-	-	-
Amounts owed by group undertakings	-	-	2,764,151	2,552,435
Other debtors	5,742,854	3,410,578	4,184,697	2,355,169
Prepayments and accrued income	376,654	746,954	81,660	161,672
	6,203,138	4,219,015	7,033,856	5,071,701
Deferred tax asset (note 23)	15,173	22,772	10,232	3,805
	6,218,311	4,241,787	7,044,088	5,075,506

18 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	20	351,825	217,503	234,696	102,742
Obligations under finance leases	21	85,922	119,834	85,922	119,834
Trade creditors		214,566	336,025	116,014	273,912
Amounts owed to group undertakings		-	-	1,072,681	1,072,649
Corporation tax payable		3,132	-	-	-
Other taxation and social security		454,418	124,077	383,822	49,454
Other creditors		7,015,326	5,029,365	5,372,483	3,485,087
Accruals and deferred income		140,647	178,445	88,107	99,008
		8,265,836	6,005,249	7,353,725	5,202,686

Bank loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017). Overdrafts are secured by way of fixed and floating charges over the assets of the company.

Finance leases are secured under the assets to which they relate.

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

19 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	20	1,302,061	1,424,509	489,237	549,202
Obligations under finance leases	21	16,039	57,947	16,039	57,947
		<u>1,318,100</u>	<u>1,482,456</u>	<u>505,276</u>	<u>607,149</u>

Bank loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017).

Finance leases are secured under the assets to which they relate.

20 Borrowings

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	1,478,803	1,597,001	570,165	630,130
Bank overdrafts	175,083	45,011	153,768	21,814
	<u>1,653,886</u>	<u>1,642,012</u>	<u>723,933</u>	<u>651,944</u>
Payable within one year	351,825	217,503	234,696	102,742
Payable after one year	<u>1,302,061</u>	<u>1,424,509</u>	<u>489,237</u>	<u>549,202</u>

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

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2019

20 Borrowings (Continued)

The group has five term loans with AIB Bank plc.

The balance on the first loan as at 30 April 2019 was £422,471 (2018: £467,555). This bank loan runs until 1 June 2020. Repayments of £15,165 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 2019 was £941,383 (2018: £941,383). 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 2019 was £nil (2018: £25,488). This bank loan ran for 2 years from date of first draw down and was fully repaid during the year. Repayments were £6,448, due quarterly inclusive of capital and interest. Interest was charged at 3.25% per annum varying 2.75% above Bank Base Rate currently 0.5%.

The balance on the fourth loan as at 30 April 2019 was £147,694 (2018 - £162,575). This bank loan runs until 8 September 2022. Repayments of £5,067 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 fifth loan as at 30 April 2019 was £31,530 (2018: £nil). This was taken out during the year.

21 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Less than one year	91,979	133,977	91,979	133,977
Between one and five years	18,039	62,809	18,039	62,809
	110,018	196,786	110,018	196,786
Less: future finance charges	(8,057)	(19,005)	(8,057)	(19,005)
	101,961	177,781	101,961	177,781

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery and motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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 2019

22 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,481,468	4,205,759	n/a	n/a
Equity instruments measured at cost less impairment	15	15	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	9,580,585	7,303,628	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

23 Deferred taxation

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

Group	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	78,165	93,853	3,311	22,772
Tax losses	(196)	(1,559)	11,862	-
Capital Gains	-	14,382	-	-
	77,969	106,676	15,173	22,772
Company	£	£	£	£
Accelerated capital allowances	-	-	(1,630)	3,805
Tax losses	-	-	11,862	-
	-	-	10,232	3,805
Movements in the year:			Group 2019 £	Company 2019 £
Liability/(asset) at 1 May 2018			83,904	(3,805)
Credit to profit or loss			(21,108)	(6,427)
Liability/(asset) at 30 April 2019			62,796	(10,232)

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

23 Deferred taxation (Continued)

24 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	17,200	7,167

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 £10,688 (2018: £2,511) were payable to the fund at the year end and are included in creditors.

25 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

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

26 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 2019

27 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	49,603	9,164
Adjustments for:		
Share of results of associates and joint ventures	(235,857)	-
Taxation credited	(17,976)	(72,996)
Finance costs	54,739	51,380
Loss on disposal of tangible fixed assets	2,218	5,118
Amortisation and impairment of intangible assets	9,933	9,933
Depreciation and impairment of tangible fixed assets	210,407	187,233
Movements in working capital:		
(Increase)/decrease in stocks	(15,758)	9,452
(Increase) in debtors	(1,918,545)	(694,988)
Increase in creditors	2,157,045	1,818,048
Cash generated from operations	295,809	1,322,344

28 Related party transactions

Remuneration of key management personnel

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

	2019 £	2018 £
Aggregate compensation	-	175,778

Transactions with related parties

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

	Sales		Purchases	
	2019 £	2018 £	2019 £	2018 £
Group				
Entities over which the group has control, joint control or significant influence	1,461,106	610,978	30,345	30,345
Company				
Other related parties	1,317,081	548,578	-	-

DANIELI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2019

28 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019 £	2018 £
Group		
Entities over which the group has control, joint control or significant influence	6,982,299	4,831,205
Company		
Entities over which the company has control, joint control or significant influence	5,348,887	3,291,720

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2019 Balance £	2018 Balance £
Group		
Entities over which the group has control, joint control or significant influence	4,853,408	2,581,451
Key management personnel	807,369	1,062,169
Company		
Entities over which the company has control, joint control or significant influence	3,303,013	1,533,330
Key management personnel	807,369	1,062,169

29 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.