

Company registration number 06599929 (England and Wales)

**DANIELI HOLDINGS LIMITED**  
**ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**



# DANIELI HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N A Winch D Winch
<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>	RMT Accountants & Business Advisors Ltd Gosforth Park Avenue Newcastle upon Tyne NE12 8EG

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# DANIELI HOLDINGS LIMITED

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# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2022

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The directors present the strategic report for the year ended 30 April 2022.

#### 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. The principal activities of the group in the year under review were those of respite care, training services and the operation of licensed premises. The subsidiaries and their principal activities are listed in the notes to the financial statements.

The group's financial performance was as follows:

	2022	2021	Variance
Turnover	£1,867k	£1,144k	£723k
Gross profit	£471k	(£40k)	£511k
EBITDA	£989k	£431k	£558k
Net liabilities	£1,646k	£1,037k	£609k

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 nursing care. The care home is rated Good across all areas by the regulator as a result of the last inspection by the Care Quality Commission in 2019.*

	2022	2021	Variance
Turnover	£915k	£834k	£81k
Gross profit	£145k	£77k	£68k
EBITDA	£22k	£151k	(£129k)
Net liabilities	(£196k)	(£97k)	(£99k)

Turnover increased to £915k in 2022 from £834k in 2021, an increase of £81k.

The directors consider that careful management of costs should lead to improved 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.

The Coronavirus pandemic did impact on the business, starting in the middle part of 2020 and continuing on into the current year. This is reflected in the gross margin results. It has become increasingly difficult to attract staff and the costs of attracting experienced staff have significantly increased.

The directors continue to take steps to ensure residents care takes priority and as a result incurred exceptional costs in 2021 and 2022. In addition, the business has been affected by the large rise in utility costs and anticipates that this will continue for some period of time. The directors are monitoring these costs on a monthly basis, but inflationary pressures and instability within the care sector and the economy as a whole continue to have an effect of the company's profitability.

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

#### YOLO (Ponteland) Limited

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

	2022	2021	Variance
Turnover	£762k	£290k	£472k
Gross (loss)/profit	£301k	(£28k)	£329k
EBITDA	£151k	(£27k)	£178k
Net assets	£281k	£203k	£78k

The impact of the Coronavirus pandemic had a significant effect upon all key performance indicators. Since returning to full capacity following UK lockdown in April 2021 the company has seen trade struggle to recover to pre-pandemic levels.

#### Principal risks and uncertainties

The directors continually analyse key risks to the group. All 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 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.

##### *Going concern:*

The directors have received government support in the form of rates relief, Covid recovery grants for use in the care business and have used the coronavirus job retention scheme to protect as many jobs as possible.

The group had net current liabilities of £1,436k (2021: £3,260k) at the year end. The company manages its day to day working capital requirements at an overall group and related company level, through its available cash resources, cash flow from operating activities, external financing from bank loans, overdrafts and an invoice discounting facility.

Since the year end the group has restructured both its debt and its corporate make-up. The Danieli Holdings Limited Group is now part of a larger group, Danieli Group Limited which now contains a number of both profitable and cash generative entities which can provide additional resources and support to its members.

The directors have prepared trading and cash flow forecasts building in uncertainties in the economic environment as a result of the coronavirus pandemic, as well as current cost of living rises and inflationary pressures, which indicate that the group's existing funding facilities are adequate to meet its liabilities as they fall due. As part of these forecasts the group rely on the continued support of the group's bankers.

In June 2021, the group secured a significant Coronavirus Business Interruption Loan which supports the business in its efforts to return to pre-pandemic levels of trade.

Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing these financial statements.

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

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### Future developments

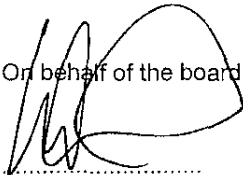
Given the current status of the economy, the directors are cautiously optimistic about future trading. The directors consider the group to be well placed to meet demand in all areas of trade the group is exposed to, be it in the leisure or care sector.

### Events after the reporting date

In September 2022, the company was part of a group reorganisation with the entire share capital being acquired by Danieli Group Limited.

Immediately after the creation of the group, bank loans and overdraft facilities were refinanced with HSBC UK Bank plc, providing a long term financial partnership to support the strategic plans of the group.

On behalf of the board



N A Winch  
Director

Date: 27/1/23

# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2022

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The directors present their annual report and financial statements for the year ended 30 April 2022.

#### **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.

#### **Results and dividends**

The results for the year are set out on page 10.

*No ordinary dividends were paid. The directors do not recommend payment of a further dividend.*

#### **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

(Resigned 13 September 2022)

#### **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**

RMT Accountants & Business Advisors Ltd were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

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#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

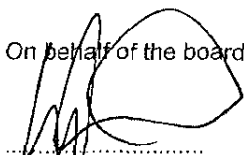
#### Strategic report

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 risk management and future developments.

#### 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 auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

On behalf of the board



N A Winch  
Director

Date: 27/1/23

# DANIELI HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DANIELI HOLDINGS LIMITED

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#### **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 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2022 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **DANIELI HOLDINGS LIMITED**

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

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### **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 or 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, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# DANIELI HOLDINGS LIMITED

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

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Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health and safety, alcohol licensing laws, the Care Act 2014 and compliance with the independent regulator of health and adult social care in England, the Care Quality Commission.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.



Paul Gainford  
Senior Statutory Auditor  
For and on behalf of RMT Accountants & Business Advisors Ltd  
Statutory Auditor  
Gosforth Park Avenue  
Newcastle upon Tyne  
NE12 8EG

Date: 30/1/23

# DANIELI HOLDINGS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	2021 £
Turnover	3	1,865,904	1,143,647
Cost of sales		(1,395,029)	(1,183,544)
<b>Gross profit/(loss)</b>		<b>470,875</b>	<b>(39,897)</b>
Administrative expenses		(2,274,337)	(1,785,997)
Other operating income		1,730,190	1,944,381
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(73,272)</b>	<b>118,487</b>
Share of results of associates		795,967	(68,322)
Interest payable and similar expenses	7	(107,656)	(185,647)
<b>Profit/(loss) before taxation</b>		<b>615,039</b>	<b>(135,482)</b>
Tax on profit/(loss)	8	(5,505)	(9,772)
<b>Profit/(loss) for the financial year</b>		<b>609,534</b>	<b>(145,254)</b>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

# DANIELI HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2022

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	2022 £	2021 £
Profit/(loss) for the year	609,534	(145,254)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>609,534</u>	<u>(145,254)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

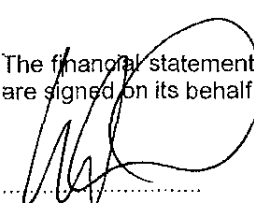
# DANIELI HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	9		61,324		71,257
Tangible assets	10		4,585,851		4,814,554
Investments	11		1,585,278		789,311
			<u>6,232,453</u>		<u>5,675,122</u>
<b>Current assets</b>					
Stocks	14	35,332		31,995	
Debtors	15	10,387,626		10,157,050	
Cash at bank and in hand		21,839		9,228	
			<u>10,444,797</u>		<u>10,198,273</u>
<b>Creditors: amounts falling due within one year</b>	16	(11,880,984)		(13,458,441)	
<b>Net current liabilities</b>			<u>(1,436,187)</u>		<u>(3,260,168)</u>
<b>Total assets less current liabilities</b>			<u>4,796,266</u>		<u>2,414,954</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(3,013,471)		(1,264,733)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	136,502		113,462	
			<u>(136,502)</u>		<u>(113,462)</u>
<b>Net assets</b>			<u>1,646,293</u>		<u>1,036,759</u>
<b>Capital and reserves</b>					
Called up share capital	22		1,000		1,000
Revaluation reserve			415,000		415,000
Profit and loss reserves			1,259,812		650,278
<b>Equity attributable to owners of the parent company</b>			<u>1,675,812</u>		<u>1,066,278</u>
<b>Non-controlling interests</b>			<u>(29,519)</u>		<u>(29,519)</u>
			<u>1,646,293</u>		<u>1,036,759</u>

The financial statements were approved by the board of directors and authorised for issue on 27/1/23 and are signed on its behalf by:

  
N A Winch  
Director

Company registration number 06599929 (England and Wales)

# DANIELI HOLDINGS LIMITED

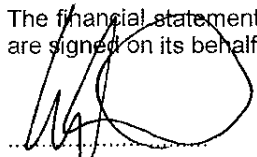
## COMPANY BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10	1,662,857		1,728,441	
Investments	11	595,080		595,080	
			2,257,937		2,323,521
<b>Current assets</b>					
Debtors	15	10,900,624		10,722,929	
Creditors: amounts falling due within one year	16	(10,576,134)		(12,342,674)	
<b>Net current assets/(liabilities)</b>			324,490		(1,619,745)
<b>Total assets less current liabilities</b>			2,582,427		703,776
Creditors: amounts falling due after more than one year	17	(2,295,302)		(405,017)	
<b>Net assets</b>			287,125		298,759
<b>Capital and reserves</b>					
Called up share capital	22	1,000		1,000	
Revaluation reserve		415,000		415,000	
Profit and loss reserves		(128,875)		(117,241)	
<b>Total equity</b>			287,125		298,759

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £11,634 (2021 - £136,495 profit).

The financial statements were approved by the board of directors and authorised for issue on 27/1/23 and are signed on its behalf by:

  
N A Winch  
Director

Company registration number 06599929 (England and Wales)

**DANIELI HOLDINGS LIMITED**  
**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 APRIL 2022**

	Share capital	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£
<b>Balance at 1 May 2020</b>	1,000	415,000	795,532	1,211,532	(29,519)	1,182,013
<b>Year ended 30 April 2021:</b>						
Loss and total comprehensive income for the year	-	-	(145,254)	(145,254)	-	(145,254)
<b>Balance at 30 April 2021</b>	1,000	415,000	650,278	1,066,278	(29,519)	1,036,759
<b>Year ended 30 April 2022:</b>						
Profit and total comprehensive income for the year	-	-	609,534	609,534	-	609,534
<b>Balance at 30 April 2022</b>	1,000	415,000	1,259,812	1,675,812	(29,519)	1,646,293

# DANIELI HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 May 2020	1,000	415,000	(253,736)	162,264
Year ended 30 April 2021:				
Profit and total comprehensive income for the year	-	-	136,495	136,495
Balance at 30 April 2021	1,000	415,000	(117,241)	298,759
Year ended 30 April 2022:				
Loss and total comprehensive income for the year	-	-	(11,634)	(11,634)
Balance at 30 April 2022	1,000	415,000	(128,875)	287,125

# DANIELI HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		828,543		(2,040,684)
Interest paid			(107,656)		(185,647)
Income taxes refunded			3,546		-
<b>Net cash inflow/(outflow) from operating activities</b>			<b>724,433</b>		<b>(2,226,331)</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(28,096)		(95,784)	
Proceeds from disposal of tangible fixed assets		1,000		-	
Repayment of loans		(397,499)		-	
<b>Net cash used in investing activities</b>			<b>(424,595)</b>		<b>(95,784)</b>
<b>Financing activities</b>					
Proceeds from new bank loans		2,800,000		-	
Repayment of bank loans		(213,014)		(128,258)	
Payment of finance leases obligations		(10,243)		(30,200)	
<b>Net cash generated from/(used in) financing activities</b>			<b>2,576,743</b>		<b>(158,458)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>2,876,581</b>		<b>(2,480,573)</b>
Cash and cash equivalents at beginning of year			(2,931,247)		(450,674)
<b>Cash and cash equivalents at end of year</b>			<b>(54,666)</b>		<b>(2,931,247)</b>
<b>Relating to:</b>					
Cash at bank and in hand			21,839		9,228
Bank overdrafts included in creditors payable within one year			(76,505)		(2,940,475)

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

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### 1 Accounting policies

#### Company information

Danieli Holdings Limited ("the company") is a private limited company 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.*

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

*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. 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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.

#### 1.2 Business combinations

In the parent company financial statements, 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. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Danieli Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 April 2022. 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.*

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

The group had net current liabilities of £1,436k (2021: £3,260k) at the year end. The company manages its day to day working capital requirements at an overall group and related company level, through its available cash resources, cash flow from operating activities, external financing from bank loans, overdrafts and an invoice discounting facility.

Since the year end the group has restructured both its debt and its corporate make-up. The Danieli Holdings Limited Group is now part of a larger group, Danieli Group Limited which now contains a number of both profitable and cash generative entities which can provide additional resources and support to its members.

The directors have prepared trading and cash flow forecasts building in uncertainties in the economic environment as a result of the coronavirus pandemic, as well as current cost of living rises and inflationary pressures, which indicate that the group's existing funding facilities are adequate to meet its liabilities as they fall due. As part of these forecasts the group rely on the continued support of the group's bankers.

In June 2021, the group secured a significant Coronavirus Business Interruption Loan which supports the business in its efforts to return to pre-pandemic levels of trade.

Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the directors continue to adopt the going concern basis in preparing these financial statements.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

#### 1 Accounting policies

(Continued)

##### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. 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 also recognised at the time of sale and at the fair value of the consideration received for bar and food sales after deducting discounts, and is shown net of VAT and other sales related taxes.

##### 1.6 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.

##### 1.7 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 less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation or over 25 years
Leasehold land and buildings	10% straight line
Plant and equipment	10 - 25% straight line or 15% reducing balance
Fixtures and fittings	10% straight line or 10% reducing balance
Computers	10 - 20% straight line
Motor vehicles	20% straight line

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 recognised in the profit and loss account.

##### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

#### 1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. 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. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.9 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).

#### 1.10 Stocks

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

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

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 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 in the group's balance sheet 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.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1 Accounting policies

(Continued)

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

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

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

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

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

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

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.

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

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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 the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the 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.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 1 Accounting policies

(Continued)

#### 1.14 Taxation

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

##### *Current tax*

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

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.15 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.

#### 1.16 Retirement benefits

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

#### 1.17 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1 Accounting policies

(Continued)

##### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 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.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### ***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment in assets, the directors have considered both external and internal sources of information such as market conditions and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### ***Determining residual values and useful economic lives of fixed assets***

The group depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management.

Judgement is applied by management when determining the residual values of tangible fixed assets. When determining the residual value management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

The carrying amount of tangible fixed assets at the reporting date was £4,585,851 (2021 - £4,814,554).

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Training services	12,000	18,000
Respite care services	915,109	834,145
Operation of licenced premises	938,795	291,502
	<u>1,865,904</u>	<u>1,143,647</u>
	2022 £	2021 £
<b>Other revenue</b>		
Job retention scheme income	8,930	203,652
Other grants received	22,031	305,891
Management fee income	<u>1,677,740</u>	<u>1,407,924</u>

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

### 4 Operating (loss)/profit

	2022 £	2021 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	256,799	285,898
Depreciation of tangible fixed assets held under finance leases	-	17,303
Profit on disposal of tangible fixed assets	(1,000)	-
Amortisation of intangible assets	<u>9,933</u>	<u>9,933</u>

### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4,300	4,000
Audit of the financial statements of the company's subsidiaries	<u>11,100</u>	<u>12,000</u>
	<u>15,400</u>	<u>16,000</u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 6 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Site	49	56	-	-
Administration	33	31	33	31
Total	82	87	33	31

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	1,844,259	1,736,147	1,144,630	785,908
Social security costs	181,921	133,955	122,108	77,697
Pension costs	31,498	28,953	20,271	15,926
	2,057,678	1,899,055	1,287,009	879,531

### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	94,929	175,733
Interest on finance leases and hire purchase contracts	669	222
Other interest	12,058	9,692
Total finance costs	107,656	185,647

### 8 Taxation

	2022 £	2021 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,505	9,772

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

#### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	615,039	(135,482)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	116,857	(25,742)
Tax effect of expenses that are not deductible in determining taxable profit	6,706	5,319
Tax effect of income not taxable in determining taxable profit	(152,199)	12,981
Effect of change in corporation tax rate	19,711	-
Permanent capital allowances in excess of depreciation	-	19,035
Amortisation on assets not qualifying for tax allowances	-	1,877
Deferred tax adjustments in respect of prior years	-	(3,698)
Other	14,430	-
Taxation charge	5,505	9,772

#### 9 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 May 2021 and 30 April 2022	236,717
<b>Amortisation and impairment</b>	
At 1 May 2021	165,460
Amortisation charged for the year	9,933
At 30 April 2022	175,393
<b>Carrying amount</b>	
At 30 April 2022	61,324
At 30 April 2021	71,257

The company had no intangible fixed assets at 30 April 2022 or 30 April 2021.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 10 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 May 2021	3,712,350	1,053,310	103,967	555,670	299,259	449,556	6,174,012
Additions	-	-	1,369	18,780	7,947	-	28,096
Disposals	-	-	-	-	(150,710)	(26,016)	(176,726)
At 30 April 2022	3,712,350	1,053,310	105,336	574,350	156,496	423,540	6,025,382
<b>Depreciation and impairment</b>							
At 1 May 2021	65,362	327,063	71,804	350,758	220,737	323,734	1,359,458
Depreciation charged in the year	52,319	83,297	3,443	44,337	19,928	53,475	256,799
Eliminated in respect of disposals	-	-	-	-	(150,710)	(26,016)	(176,726)
At 30 April 2022	117,681	410,360	75,247	395,095	89,955	351,193	1,439,531
<b>Carrying amount</b>							
At 30 April 2022	3,594,669	642,950	30,089	179,255	66,541	72,347	4,585,851
At 30 April 2021	3,646,988	726,247	32,163	204,812	78,522	125,822	4,814,554

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

Company	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 May 2021	1,544,763	3,285	301,853	461,000	2,310,901
Additions	-	-	6,263	-	6,263
Disposals	-	-	(150,710)	(26,016)	(176,726)
At 30 April 2022	1,544,763	3,285	157,406	434,984	2,140,438
<b>Depreciation and impairment</b>					
At 1 May 2021	-	2,699	231,278	348,483	582,460
Depreciation charged in the year	-	329	18,043	53,475	71,847
Eliminated in respect of disposals	-	-	(150,710)	(26,016)	(176,726)
At 30 April 2022	-	3,028	98,611	375,942	477,581
<b>Carrying amount</b>					
At 30 April 2022	1,544,763	257	58,795	59,042	1,662,857
At 30 April 2021	1,544,763	586	70,575	112,517	1,728,441

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Motor vehicles	25,301	52,041	25,301	52,041

#### 11 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	12	-	-	475,080	475,080
Investments in associates	13	1,585,263	789,296	119,985	119,985
Unlisted investments		15	15	15	15
		1,585,278	789,311	595,080	595,080

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2022

#### 11 Fixed asset investments

(Continued)

##### Movements in fixed asset investments Group

	Shares in associates £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 May 2021	789,296	15	789,311
Share in profit of associates	795,967	-	795,967
At 30 April 2022	1,585,263	15	1,585,278
<b>Carrying amount</b>			
At 30 April 2022	1,585,263	15	1,585,278
At 30 April 2021	789,296	15	789,311

##### Movements in fixed asset investments Company

	Shares in subsidiaries and associates £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 May 2021 and 30 April 2022	595,065	15	595,080
<b>Carrying amount</b>			
At 30 April 2022	595,065	15	595,080
At 30 April 2021	595,065	15	595,080

#### 12 Subsidiaries

Details of the company's subsidiaries at 30 April 2022 are as follows:

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

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 12 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

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

### 13 Associates

Details of associates at 30 April 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Stack Containers Ltd	Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG	Unit rentals	Ordinary	30	-
Stack Trading Ltd	As above	Licensed bar and restaurant	Ordinary	-	30
Boutique Bar and Tipi Company Ltd	As above	Public houses and bars	Ordinary	30	-

### 14 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	35,332	31,995	-	-

### 15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	34,562	85,030	17,943	38,334
Corporation tax recoverable	-	3,546	-	-
Amounts owed by group undertakings	-	-	3,090,319	3,112,243
Other debtors	10,124,299	9,744,617	7,680,140	7,439,275
Prepayments and accrued income	192,397	305,024	88,378	119,964
	10,351,258	10,138,217	10,876,780	10,709,816
Deferred tax asset (note 20)	36,368	18,833	23,844	13,113
	10,387,626	10,157,050	10,900,624	10,722,929

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	18	1,161,847	3,187,569	966,826	3,004,279
Obligations under finance leases	19	-	10,243	-	10,243
Trade creditors		200,682	142,538	85,484	75,637
Amounts owed to group undertakings		-	-	1,073,000	1,073,000
Corporation tax payable		433,842	433,842	433,842	433,842
Other taxation and social security		251,153	595,398	191,836	521,618
Other creditors		9,681,071	8,945,744	7,718,351	7,122,269
Accruals and deferred income		152,389	143,107	106,795	101,786
		<u>11,880,984</u>	<u>13,458,441</u>	<u>10,576,134</u>	<u>12,342,674</u>

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

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	18	<u>3,013,471</u>	<u>1,264,733</u>	<u>2,295,302</u>	<u>405,017</u>

### 18 Loans and overdrafts

		Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans		4,098,813	1,511,827	3,218,499	483,697
Bank overdrafts		76,505	2,940,475	43,629	2,925,599
		<u>4,175,318</u>	<u>4,452,302</u>	<u>3,262,128</u>	<u>3,409,296</u>
Payable within one year		1,161,847	3,187,569	966,826	3,004,279
Payable after one year		<u>3,013,471</u>	<u>1,264,733</u>	<u>2,295,302</u>	<u>405,017</u>

The long-term loans are secured by a debenture on certain assets and by an unlimited guarantee across the group and entities under common control.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 18 Loans and overdrafts

(Continued)

As of 30 April 2022, the group had six term loans with AIB Bank plc.

The balance on the first loan as at 30 April 2022 was £717,407 (2021: £787,975). This bank loan runs until 8 January 2026. 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 2.75% per annum above the Bank's Base Rate.

The balance on the second loan as at 30 April 2022 was £162,907 (2021: £240,155). This bank loan runs until 30 March 2024. Repayments of £18,849 are due quarterly, inclusive of capital and interest. At the end of the term the outstanding amount due under the loan will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 2.75% per annum above the Bank's Base Rate.

The balance on the third loan as at 30 April 2022 was £109,455 (2021: £126,192). 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 2.75% per annum above the Bank's Base Rate.

The balance on the fourth loan as at 30 April 2022 was £309,044 (2021: £357,505). 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 2.75% per annum above the Bank's Base Rate. The original loan term ended on 1 June 2020. As a result of the impact of COVID-19, the loan was renegotiated and rolled forward under the same terms until the loan was repaid in full in September 2022. The full value of the loan has been disclosed as due within one year.

During the year the group secured two Coronavirus Business Interruption Loans. The balance on the CBILS loans as at 30 April 2022 was £2,800,000 (2021: £Nil). The loans run until 9 July 2027. Repayments of £22,282 for facility 1 and £29,710 for facility 2 are due monthly, inclusive of capital and interest. Interest is charged at 4.25% above the Bank's Base Rate.

### 19 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	-	10,243	-	10,243

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 GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
<b>Group</b>				
Accelerated capital allowances	140,997	114,769	9,671	967
Tax losses	(4,495)	(1,151)	25,761	16,890
Capital gains	-	(156)	936	976
	<u>136,502</u>	<u>113,462</u>	<u>36,368</u>	<u>18,833</u>
	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
<b>Company</b>				
Accelerated capital allowances	-	-	22,908	12,409
Capital gains	-	-	936	704
	<u>-</u>	<u>-</u>	<u>23,844</u>	<u>13,113</u>
			<b>Group 2022 £</b>	<b>Company 2022 £</b>
<b>Movements in the year:</b>				
Liability/(Asset) at 1 May 2021			94,629	(13,113)
Charge/(credit) to profit or loss			5,505	(10,731)
Liability/(Asset) at 30 April 2022			<u>100,134</u>	<u>(23,844)</u>

### 21 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>31,498</u>	<u>28,953</u>

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.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 22 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

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.

### 23 Events after the reporting date

In September 2022, the company was part of a group reorganisation with the entire share capital being acquired by Danieli Group Limited.

Immediately after the creation of the group, bank loans and overdraft facilities were refinanced with HSBC UK Bank plc, providing a long term financial partnership to support the strategic plans of the group.

### 24 Related party transactions

#### Transactions with related parties

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

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
<b>Group</b>				
Entities with control, joint control or significant influence over the group	1,761,949	1,407,924	61,891	-
<b>Company</b>				
Entities with control, joint control or significant influence over the company	1,761,949	1,319,980	5,286	-

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022 £	2021 £
<b>Group</b>		
Entities with control, joint control or significant influence over the group	9,654,499	8,926,496
<b>Company</b>		
Entities with control, joint control or significant influence over the company	7,704,852	7,109,955

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 24 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2022 Balance £	2021 Balance £
<b>Group</b>		
Entities with control, joint control or significant influence over the group	8,000,799	8,019,425
Key management personnel	1,672,397	1,274,898
	<u>          </u>	<u>          </u>
<b>Company</b>		
Entities with control, joint control or significant influence over the company	5,567,337	5,723,971
Key management personnel	1,672,397	1,274,898
	<u>          </u>	<u>          </u>

The group is party to an unlimited guarantee between Phoenix FM Services Limited, Phoenix Eye Limited, Homecare Plus Limited, Bannatyne's Limited, YOLO (Newcastle) Limited, Boutique Bar and Tipi Company Limited, Stack Containers Limited, Stack Trading Limited, The Muddler (Newcastle) Limited and Stack (Seaburn) Limited, which are all entities under common control of the directors and majority shareholders of the group.

### 25 Controlling party

At the balance sheet date, the directors considered Danieli Holdings Limited to be under the control of the directors N A Winch and S W Howe by virtue of their holdings in the company.

On 13 September 2022, ultimate control transferred to N A Winch as majority shareholder of Danieli Group Limited.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2022

### 26 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	609,534	(145,254)
<b>Adjustments for:</b>		
Share of results of associates and joint ventures	(795,967)	68,322
Taxation charged	5,505	9,772
Finance costs	107,656	185,647
Gain on disposal of tangible fixed assets	(1,000)	-
Amortisation and impairment of intangible assets	9,933	9,933
Depreciation and impairment of tangible fixed assets	256,799	303,201
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(3,337)	1,566
Decrease/(increase) in debtors	180,912	(2,879,702)
Increase in creditors	458,508	405,831
<b>Cash generated from/(absorbed by) operations</b>	<b>828,543</b>	<b>(2,040,684)</b>

### 27 Analysis of changes in net debt - group

	1 May 2021 £	Cash flows £	30 April 2022 £
Cash at bank and in hand	9,228	12,611	21,839
Bank overdrafts	(2,940,475)	2,863,970	(76,505)
	(2,931,247)	2,876,581	(54,666)
Borrowings excluding overdrafts	(1,511,827)	(2,586,986)	(4,098,813)
Obligations under finance leases	(10,243)	10,243	-
	(4,453,317)	299,838	(4,153,479)