Company Registration No. 06599929 (England and Wales)

DANIELI HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2020



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 Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD

DANIELI HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present the strategic report for the year ended 30 April 2020.

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 13 of the financial statements. The principal activities of each of the subsidiaries is also listed in note 13.

The group's performance was as follows:

	2020	2019	Variance
Turnover	£1,828k	£1,957k	(£129k)
Gross profit	£341k	£776k	(£435k)
EBITDA	(£4k)	£71k	(£75k)
Net assets	£1,182k	£1,914k	(£732k)

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. 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.

	2020	2019	Variance
Turnover	£764k	£822k	(£58k)
Gross profit	£81k	£220k	(£220k)
EBITDA	£15k	(£172k)	£187k
Net liabilities	(£119k)	(£45k)	(£74k)

Turnover fell to £764k in 2020 from £822k in 2019, a decrease of £58k. 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 26.8% to 10.5%, in the main due to increased staffing costs and net liabilities increasing from £45k to £119k.

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. During the prior year, an exceptional cost was incurred of £425k, in relation to repair costs and in the current year, one-off costs relating to this amounted to £64k. EBITDA after adjusting for these one off items amounts to £79k (2019: £253k).

The Coronavirus pandemic did impact on the business during the latter part of 2020, which is reflected in the gross margin result for the year. The directors took steps to ensure residents care took priority and as a result incurred costs in 2020 which are also deemed to be one-off in nature. Since the year end, there has been local authority support in respect of grants available for income uplift, rapid testing kits and infection control grants.

YOLO (Ponteland) Limited
The principal activity of the company continued to be the operation of a licensed premises.

	2020	2019	Variance
Turnover	£784k	£902k	(£118k)
Gross profit	£271k	£468k	(£197k)
EBITDA	£75k	£227k	(£152k)
Net assets	£288k	£281k	£7k

The company further established itself in the marketplace during 2020, however the impact of the Coronavirus pandemic significantly affected all key performance indicators, given that all licensed premises closed in March 2020. The company has been able to utilise the government's Coronavirus Job Retention Scheme to enable it to protect jobs and the welfare of its employees. Subsequently to the year end, UK national and local lockdowns meant that the premises remained closed for large portions of the 2021 financial year, however now that lockdown measures are progressively becoming more relaxed, the directors are optimistic that spring/summer 2021 will see a strong trading performance.

Monitoring and managing risk
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 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.

Going concern risk:
The ongoing global pandemic directly affects the group's ability to trade at normal levels, given the impact on the leisure and hospitality and care sector.

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 directors have negotiated a time to pay arrangement with HMRC to ensure that Crown creditors are being repaid, but on a manageable basis with regard to cash flow.

The group had net current assets of £565k (2019: £476k) at the year end. The company manages its day to day working capital requirements at an overall group level, through its available cash resources, cash flow from operating activities, external financing from bank loans, overdrafts and an invoice discounting facility.

The directors have prepared trading and cash flow forecasts building in uncertainties in the economic environment as a result of the coronavirus pandemic, 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 during the effort to reopen after a significant period of lockdown.

Monitoring and managing risk (continued)

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.

Future developments

Given the current vaccination programme continues to roll out at pace and signs from government that the country is on track to 'reopen' for business in summer 2021, 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.

By order of the board

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N A Winch

Secretary

Date: 21 June 2021

DANIELI HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the year ended 30 April 2020.

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 9.

Ordinary dividends were paid amounting to £900,000 (2019: £nil). 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.

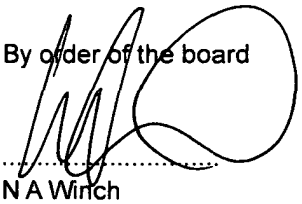
As all of the group's surplus funds are invested in sterling bank accounts and all of its borrowings are obtained from standard bank overdrafts, loans, hire purchase agreements, finance lease agreements and connected-company borrowings, there is no price risk.

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 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 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.

By order of the board



N A Winch
Secretary

Date: 21 June 2021

DANIELI HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2020

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 2020 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 2020 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.

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 6, 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.

RSM UK Audit LLP

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
United Kingdom, NE1 4AD
9/7/21

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2019 £
Turnover	3	1,828,264	1,957,452
Cost of sales		(1,487,335)	(1,181,830)
Gross profit		340,929	775,622
Administrative expenses		(2,259,909)	(2,353,648)
Other operating income		1,664,679	1,428,535
Operating loss	5	(254,301)	(149,491)
Share of results of associates and joint ventures		501,776	235,857
Interest payable and similar expenses	7	(56,862)	(54,739)
Profit before taxation		190,613	31,627
Tax on profit	8	(22,439)	17,976
Profit for the financial year		168,174	49,603

Profit for the financial year is all attributable to the owners of the parent company.

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

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Goodwill	10		81,190		91,123
Tangible assets	11		5,021,971		4,835,647
Investments	12		857,633		355,857
			5,960,794		5,282,627
Current assets					
Stocks	15	33,561		41,010	
Debtors	16	6,833,449		6,218,311	
Cash at bank and in hand		5,811		33,796	
		6,872,821		6,293,117	
Creditors: amounts falling due within one year	17	(11,199,833)		(8,265,836)	
Net current liabilities			(4,327,012)		(1,972,719)
Total assets less current liabilities			1,633,782		3,309,908
Creditors: amounts falling due after more than one year	18		(340,595)		(1,318,100)
Provisions for liabilities	21		(111,174)		(77,969)
Net assets			1,182,013		1,913,839
Capital and reserves					
Called up share capital	23		1,000		1,000
Revaluation reserve	24		415,000		415,000
Profit and loss reserves	24		795,532		1,527,358
Equity attributable to owners of the parent company			1,211,532		1,943,358
Non-controlling interests			(29,519)		(29,519)
			1,182,013		1,913,839

The financial statements were approved by the board of directors and authorised for issue on 21 June 2021 and are signed on its behalf by:

N A Winch
Director

DANIELI HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	11		1,748,226		1,826,382
Investments	12		595,080		595,080
			2,343,306		2,421,462
Current assets					
Debtors	16	7,522,264		7,044,088	
Creditors: amounts falling due within one year	17	(9,573,146)		(7,353,725)	
Net current liabilities			(2,050,882)		(309,637)
Total assets less current liabilities			292,424		2,111,825
Creditors: amounts falling due after more than one year	18		(130,160)		(505,276)
Net assets			162,264		1,606,549
Capital and reserves					
Called up share capital	23		1,000		1,000
Revaluation reserve	24		415,000		415,000
Profit and loss reserves	24		(253,736)		1,190,549
Total equity			162,264		1,606,549

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 £544,285 (2019 - £139,601 loss).

The financial statements were approved by the board of directors and authorised for issue on 21 June 2021 and are signed on its behalf by:

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N A Winch

Director

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 May 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
Year ended 30 April 2020:							
Profit and total comprehensive income for the year		-	-	168,174	168,174	-	168,174
Dividends	9	-	-	(900,000)	(900,000)	-	(900,000)
Balance at 30 April 2020		1,000	415,000	795,532	1,211,532	(29,519)	1,182,013

DANIELI HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 May 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
Year ended 30 April 2020:					
Loss and total comprehensive income for the year		-	-	(544,285)	(544,285)
Dividends	9	-	-	(900,000)	(900,000)
Balance at 30 April 2020		1,000	415,000	(253,736)	162,264

DANIELI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**25**		81,039		295,809
Interest paid			(56,862)		(54,739)
Income taxes paid			(6,678)		(378)
Net cash inflow from operating activities			17,499		240,692
Investing activities					
Purchase of tangible fixed assets		(398,953)		(57,270)	
Proceeds on disposal of tangible fixed assets		6,520		17,574	
Other investments and loans made		-		(65,200)	
Net cash used in investing activities			(392,433)		(104,896)
Financing activities					
Proceeds of new bank loans		310,701		-	
Repayment of bank loans		(149,419)		(118,198)	
Payment of finance leases obligations		(95,735)		(135,497)	
Net cash generated from/(used in) financing activities			65,547		(253,695)
Net decrease in cash and cash equivalents			(309,387)		(117,899)
Cash and cash equivalents at beginning of year			(141,287)		(23,388)
Cash and cash equivalents at end of year			(450,674)		(141,287)
Relating to:					
Cash at bank and in hand			5,811		33,796
Bank overdrafts included in creditors payable within one year			(456,485)		(175,083)

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.

Reduced disclosures

The parent 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' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Change in accounting policy

The company has adopted the amendments to FRS 102 published in the Triennial Review 2017. This has resulted in no change in accounting policy and no change in the current or prior year figures presented in the financial statements.

1 **Accounting policies (Continued)**

Basis of consolidation

The consolidated financial statements incorporate those of Danieli Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 April 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

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

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

Going concern

At the statement of financial position date the group had net current liabilities of £4,327,012 (2019: £1,972,719) and net assets of £1,182,013 (2019: £1,913,839).

The directors have prepared detailed forecasts which have been updated to consider the impact of the Covid-19 pandemic on activity levels, the working capital and overall funding requirements. The Directors, with reference to these forecasts and the working capital of the group, believe that the group has adequate resources to continue in operational existence for a period of no less than 12 months from the date of approval of the financial statements. In addition, the directors have had confirmation from a connected party that they will provide the support as required. As such the directors consider it appropriate to prepare the financial statements 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.

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.

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.

1 **Accounting policies (Continued)**

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 property - head office	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
Freehold property - care home	Not depreciated

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.

The directors consider that the freehold property classification of asset should be split down into head office buildings and other trading properties such as a care home. The directors have adopted a policy of revaluation for the head office buildings and policy of cost for the care home class of assets.

The trading properties have not been depreciated as in the opinion of the directors the estimated residual value of the tangible fixed asset is not materially different from the carrying value of the asset, any depreciation thus calculated would be immaterial and recent valuations of the properties indicate their current values are consistent with the net book values in these financial statements.

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.

1 **Accounting policies (Continued)**

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.

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.

1 **Accounting policies (Continued)**

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 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.

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.

1 Accounting policies (Continued)

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.

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.

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:

	2020	2019
	£	£
Turnover analysed by class of business		
Training services	25,000	24,480
Respite care services	763,887	822,242
Operation of licenced premises	1,039,377	1,110,730
	1,828,264	1,957,452

3 Turnover and other revenue (Continued)

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 2020 Number	2019 Number	Company 2020 Number	2019 Number
Site	57	58	-	-
Administration	42	44	42	44
	99	102	42	44

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	1,972,316	1,598,754	1,005,500	915,324
Social security costs	142,490	133,614	82,455	79,317
Pension costs	31,515	17,200	17,919	8,890
	2,146,321	1,749,568	1,105,874	1,003,531

5 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	170,091	135,133
Depreciation of tangible fixed assets held under finance leases	70,533	75,274
(Profit)/loss on disposal of tangible fixed assets	(298)	2,218
Amortisation of intangible assets	9,933	9,933

6 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	4,000	4,500
Audit of the financial statements of the company's subsidiaries	4,000	4,500
	8,000	9,000

6 Auditor's remuneration (Continued)

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	56,654	52,938
Interest on finance leases and hire purchase contracts	208	1,801
Total finance costs	56,862	54,739

8 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	(112,504)
Adjustments in respect of prior periods	378	115,636
Total current tax	378	3,132
Deferred tax		
Origination and reversal of timing differences	(9,502)	(37,928)
Changes in tax rates	8,589	-
Adjustment in respect of prior periods	22,974	16,820
Total deferred tax	22,061	(21,108)
Total tax charge/(credit)	22,439	(17,976)

8 Taxation (Continued)

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

	2020 £	2019 £
Profit before taxation	190,613	31,627
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	36,216	6,009
Tax effect of expenses that are not deductible in determining taxable profit	44,098	(40,682)
Tax effect of income not taxable in determining taxable profit	(95,337)	-
Adjustments in respect of prior years	378	115,636
Permanent capital allowances in excess of depreciation	3,683	5,761
Amortisation on assets not qualifying for tax allowances	1,887	1,887
Other permanent differences	8	-
Deferred tax adjustments in respect of prior years	22,974	16,820
Tax at marginal rate	-	10,347
Remeasurement of deferred tax for tax rate changes	8,589	-
Deferred tax not recognised	(57)	(133,754)
Taxation charge/(credit)	22,439	(17,976)

9 Dividends

	2020 £	2019 £
Final paid	900,000	-

10 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 May 2019 and 30 April 2020	236,717
Amortisation and impairment	
At 1 May 2019	145,594
Amortisation charged for the year	9,933
At 30 April 2020	155,527

10 Intangible fixed assets (Continued)

Carrying amount	
At 30 April 2020	81,190
At 30 April 2019	91,123

The company had no intangible fixed assets at 30 April 2020 or 30 April 2019.

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

11 Tangible fixed assets

Group	Freehold property - head office	Leasehold land and buildings	Plant & machinery	Fixtures and fittings	Office equipment	Motor vehicles	Freehold property - care home	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 1 May 2019	1,492,500	780,267	101,084	433,516	309,895	486,869	2,167,587	5,771,718
Additions	-	269,478	957	113,503	15,805	33,427	-	433,170
Disposals	-	-	-	-	(55,920)	(70,740)	-	(126,660)
At 30 April 2020	1,492,500	1,049,745	102,041	547,019	269,780	449,556	2,167,587	6,078,228
Depreciation and impairment								
At 1 May 2019	-	171,812	58,461	266,849	204,762	234,187	-	936,071
Depreciation charged in the year	-	72,103	6,555	39,251	36,339	86,376	-	240,624
Eliminated in respect of disposals	-	-	-	-	(55,920)	(64,518)	-	(120,438)
At 30 April 2020	-	243,915	65,016	306,100	185,181	256,045	-	1,056,257
Carrying amount								
At 30 April 2020	1,492,500	805,830	37,025	240,919	84,599	193,511	2,167,587	5,021,971
At 30 April 2019	3,660,087	608,455	42,623	166,667	105,133	252,682	-	4,835,647

Company	Freehold property - head office	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2019	1,492,500	3,285	257,049	445,757	2,198,591
Additions	-	-	15,325	33,427	48,752
Disposals	-	-	-	(18,184)	(18,184)
At 30 April 2020	1,492,500	3,285	272,374	461,000	2,229,159
Depreciation and impairment					
At 1 May 2019	-	2,042	163,787	206,380	372,209
Depreciation charged in the year	-	328	33,982	86,376	120,686
Eliminated in respect of disposals	-	-	-	(11,962)	(11,962)
At 30 April 2020	-	2,370	197,769	280,794	480,933
Carrying amount					
At 30 April 2020	1,492,500	915	74,605	180,206	1,748,226
At 30 April 2019	1,492,500	1,243	93,262	239,377	1,826,382

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Motor vehicles	174,101	244,279	174,101	244,279

12 Fixed asset investments

	Notes	Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Investments in subsidiaries	13	-	-	475,080	475,080
Investments in associates	14	857,618	355,842	119,985	119,985
Unlisted investments		15	15	15	15
		857,633	355,857	595,080	595,080

12 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 2019	355,842	15	355,857
Share in profit of associates	501,776	-	501,776
At 30 April 2020	857,618	15	857,633
Carrying amount			
At 30 April 2020	857,618	15	857,633
At 30 April 2019	355,842	15	355,857

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 2019 and 30 April 2020	595,065	15	595,080
Carrying amount			
At 30 April 2020	595,065	15	595,080
At 30 April 2019	595,065	15	595,080

13 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Danieli Property Investments Limited	1	Dormant	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.

14 Associates

Details of associates at 30 April 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held 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	Ordianry	30.00	-

15 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	33,561	41,010	-	-

16 Debtors

	Group		Company	
	2020	2019	2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	80,618	83,252	31,551	3,348
Corporation tax recoverable	3,546	378	-	-
Amounts owed by group undertakings	-	-	3,031,045	2,764,151
Other debtors	6,361,779	5,742,854	4,353,361	4,184,697
Prepayments and accrued income	361,189	376,654	85,113	81,660
	6,807,132	6,203,138	7,501,070	7,033,856
Deferred tax asset (note 21)	26,317	15,173	21,194	10,232
	6,833,449	6,218,311	7,522,264	7,044,088

17 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	19	1,763,063	351,825	848,565	234,696
Obligations under finance leases	20	33,355	85,922	33,355	85,922
Trade creditors		103,012	214,566	76,112	116,014
Amounts owed to group undertakings		-	-	1,072,048	1,072,681
Corporation tax payable		-	3,132	-	-
Other taxation and social security		510,305	454,418	461,138	383,822
Other creditors		8,667,444	7,015,326	6,997,355	5,372,483
Accruals and deferred income		122,654	140,647	84,573	88,107
		11,199,833	8,265,836	9,573,146	7,353,725

Bank loans are secured by a debenture on certain assets and by an unlimited guarantee across the group and entities under common control (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.

18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	19	333,507	1,302,061	123,072	489,237
Obligations under finance leases	20	7,088	16,039	7,088	16,039
		340,595	1,318,100	130,160	505,276

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

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

19 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	1,640,085	1,478,803	530,491	570,165
Bank overdrafts	456,485	175,083	441,146	153,768
	2,096,570	1,653,886	971,637	723,933
Payable within one year	1,763,063	351,825	848,565	234,696
Payable after one year	333,507	1,302,061	123,072	489,237

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 (dated 23 February 2017).

19 Borrowings (Continued)

The group has four term loans with AIB Bank plc.

The balance on the first loan as at 30 April 2020 was £392,575 (2019: £422,471). 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 2020 was £877,108 (2019: £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 2020 was £137,916 (2019: £147,694). 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 fourth loan as at 30 April 2020 was £274,244 (2019: £31,530). 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 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

20 Finance lease obligations

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	35,573	91,979	35,573	91,979
Between one and five years	8,142	18,039	8,142	18,039
	43,715	110,018	43,715	110,018
Less: future finance charges	(3,272)	(8,057)	(3,272)	(8,057)
	40,443	101,961	40,443	101,961

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.

21 Deferred taxation

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

Group	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	137,013	78,165	13,263	3,311
Tax losses	(25,212)	(196)	12,386	11,862
Capital Gains	(627)	-	668	-
	111,174	77,969	26,317	15,173

Company	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	-	-	8,140	(1,630)
Tax losses	-	-	12,386	11,862
Capital Gains	-	-	668	-
	-	-	21,194	10,232

Movements in the year:	Group 2020 £	Company 2020 £
Liability/(asset) at 1 May 2019	62,796	(10,232)
Charge/(credit) to profit or loss	22,061	(10,962)
Liability/(asset) at 30 April 2020	84,857	(21,194)

22 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	31,515	17,200

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 £5,225 (2019: £10,688) were payable to the fund at the year end and are included in creditors.

23 Share capital

	Group and company	
	2020	2019
Ordinary share capital	£	£
Issued and fully paid		
1,000 Ordinary shares of £1 each	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.

24 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.

25 Cash generated from group operations

	2020	2019
	£	£
Profit for the year after tax	168,174	49,603
Adjustments for:		
Share of results of associates and joint ventures	(501,776)	(235,857)
Taxation charged/(credited)	22,439	(17,976)
Finance costs	56,862	54,739
(Gain)/loss on disposal of tangible fixed assets	(298)	2,218
Amortisation and impairment of intangible assets	9,933	9,933
Depreciation and impairment of tangible fixed assets	240,624	210,407
Movements in working capital:		
Decrease/(increase) in stocks	7,449	(15,758)
(Increase) in debtors	(1,500,826)	(1,918,545)
Increase in creditors	1,578,458	2,157,045
Cash generated from operations	81,039	295,809

26 Analysis of changes in net debt - group

	1 May 2019	Cash flows	New finance leases	30 April 2020
	£	£	£	£
Cash at bank and in hand	33,796	(27,985)	-	5,811
Bank overdrafts	(175,083)	(281,402)	-	(456,485)
	(141,287)	(309,387)	-	(450,674)
Borrowings excluding overdrafts	(1,478,803)	(161,282)	-	(1,640,085)
Obligations under finance leases	(101,961)	95,735	(34,217)	(40,443)
	(1,722,051)	(374,934)	(34,217)	(2,131,202)

27 Related party transactions

Transactions with related parties

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

	Sales		Purchases	
	2020	2019	2020	2019
	£	£	£	£
Group				
Entities over which the group has control, joint control or significant influence	1,687,708	1,461,106	22,034	30,345
Company				
Other related parties	1,474,708	1,317,081	-	-

27 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	£	£
Group		
Entities over which the group has control, joint control or significant influence	8,647,221	6,982,299
Company		
Entities over which the company has control, joint control or significant influence	6,983,857	5,348,887

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance	2019 Balance
	£	£
Group		
Entities over which the group has control, joint control or significant influence	5,812,850	4,853,408
Key management personnel	618,422	807,369
Company		
Entities over which the company has control, joint control or significant influence	3,814,059	3,303,013
Key management personnel	618,422	807,369

The group is party to an unlimited guarantee between Phoenix Security Holdings 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.

28 Directors' transactions

Dividends totalling £900,000 (2019: £nil) were paid in the year in respect of shares held by the company's directors.

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.