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Heisurline (Freehold) Limited  
0705 6661

**Danieli Holdings Limited**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
for the year ended  
30 April 2014



# Danieli Holdings Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

N A Winch  
S W Howe

### SECRETARY

N A Winch

### REGISTERED OFFICE

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

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

# Danieli Holdings Limited

## STRATEGIC REPORT

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### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

We have undertaken an analysis of the group companies' activities and performance and closing year end position. Our review has considered the market conditions prevailing, the opportunities and risks that each company has encountered during the year and we have anticipated what could occur going forward. The main trading companies are considered below.

#### Phoenix Eye Limited

The principal activity of the company has been, and will continue to be the supply of door supervisors, security guards, stadium security and closed circuit television installation, maintenance and monitoring. The emphasis will be on the development of our door supervision expansion into southern parts of the UK, as well as the migration of sites with a physical guard to a monitored CCTV rental system.

During the year sales, gross and net profit margins before tax were –

	2014	2013
	£	£
Sales	9,428,029	8,890,272
Gross profit	2,499,639	2,237,604

Sales during the financial year have increased by 6.0% which the directors are satisfied with.

There is an increase in gross margin from 25.2% to 26.5%.

The financial year ahead is expected to show further increase sales due to our continued expansion into other parts of the UK. The gross profit margin will be retained and the net profit will be in line with expectations.

#### Northridge Healthcare Limited

The principal activity of the company is to provide state of the art respite and residential nursing care for adults with complex healthcare needs.

During the year sales, gross and net profit margins before tax were –

	2014	2013
	£	£
Sales	815,321	723,067
Gross profit	273,380	187,992

Although performance has improved results are behind expectations due to water ingress at the property. This has been rectified by the contractor and is subject to a loss of earnings claim.

In line with the overall strategy of the group to refocus on core activities the directors are planning on selling this business as a going concern in the next year.

# Danieli Holdings Limited

## STRATEGIC REPORT

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### Education and Training Services (UK) Limited

The principal activity of the company has been, and will continue to be, the delivery of training programmes within the security sector. The company is expected to deliver a pilot scheme to the NHS in the coming year and it is hoped that this will lead to further contracts.

During the year sales, gross and net profit margins before tax were –

	2014	2013
	£	£
Sales	46,407	14,220
Gross profit	44,505	13,621

### Student Accommodation (UK) Limited

The principal activity of the company during the year was the provision student accommodation. Development of the ground floor of Barker House was completed during the year.

During the year sales, gross and net profit margins before tax were –

	2014	2013
	£	£
Sales	543,890	274,148
Gross profit	502,162	18,756

In line with the overall strategy of the group to re focus on core activities the directors are planning on selling the property.

### Danieli Property Investments Limited

The principal activity of the company has been, and will continue to be the purchase and development of freehold properties. Not as a developer in the true sense of the word but as a developer operator in whatever sector fits.

On behalf of the board

N A Winch  
Director

30.10.2014



# Danieli Holdings Limited

## DIRECTORS' REPORT

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The directors present their report with the financial statements of the company and the group for the year ended 30 April 2014

### PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of security services, respite care and training services

### RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £555,676 (2013 - £297,731) A dividend of £400,000 (2013 £280,000) was paid during the year

### DIRECTORS

The directors who served the company during the year were as follows

N A Winch

S W Howe

### STRATEGIC REPORT

A strategic report has been prepared by the directors in line with s414c(11) of the Companies Act 2006 This contains a fair and balanced review of the group's business and discusses matters of a strategic nature The strategic report is contained on pages 1 to 2

### EMPLOYEE INVOLVEMENT

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company This is achieved through formal and informal meetings where employee representatives are consulted on a wide range of matters affecting their current and future interests

### DISABLED PERSONS

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

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

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

# Danieli Holdings Limited

## DIRECTORS' REPORT

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### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

On behalf of the board

N A Winch  
Director



30.10.2014.

# Danieli Holdings Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing 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 the company and of the profit or loss of the group for that year.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the 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 the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

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

## Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2014 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.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



STEVEN CLEUGH (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

20/10/14



# Danieli Holdings Limited

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2014

	Notes	2014 £	2013 £
TURNOVER	2	10,795,986	9,906,994
Cost of sales		(7,513,962)	(7,220,120)
Gross profit		<u>3,282,024</u>	<u>2,686,874</u>
Administrative expenses		(2,596,645)	(2,527,548)
Other operating income	3	180,886	367,308
OPERATING PROFIT	4	<u>866,265</u>	<u>526,634</u>
Interest receivable and similar income		1	183
Interest payable and similar charges	6	(141,962)	(124,029)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>724,304</u>	<u>402,788</u>
Taxation	9	(178,305)	(120,644)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>545,999</u>	<u>282,144</u>
Minority interest		9,677	15,587
PROFIT FOR THE FINANCIAL YEAR	20	<u><u>555,676</u></u>	<u><u>297,731</u></u>

Turnover and Operating Profit are derived from the Group's continuing operations

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

A note of historical cost profits and losses has not been presented as there is no material difference between the profit reported above and the historical cost profit

# Danieli Holdings Limited

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 April 2014

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	2014 £	2013 £
Profit for the financial year	555,676	297,731
Unrealised surplus / (reversal of unrealised surplus) on revaluation of freehold and investment properties	<u>(176,851)</u>	<u>1,494,661</u>
Total recognised gains and losses since the last financial statements	<u>378,825</u>	<u>1,792,392</u>

# Danieli Holdings Limited

## CONSOLIDATED BALANCE SHEET

for the year ended 30 April 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	10	776,529	834,580
Tangible assets	11	3,921,393	3,153,856
Investment properties	12	6,755,340	6,257,257
		<u>11,453,262</u>	<u>10,245,693</u>
<b>CURRENT ASSETS</b>			
Stocks	14	27,784	50,508
Debtors	15	2,748,598	2,070,317
Cash at bank and in hand		4,530	821,619
		<u>2,780,912</u>	<u>2,942,444</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(5,743,938)	(5,071,008)
<b>NET CURRENT LIABILITIES</b>		<u>(2,963,026)</u>	<u>(2,128,564)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,490,236	8,117,129
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(5,084,347)	(4,702,069)
<b>PROVISIONS FOR LIABILITIES</b>	18	(86,618)	(64,937)
<b>MINORITY INTERESTS</b>	25	(98,215)	(107,892)
		<u>3,221,056</u>	<u>3,242,231</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000	1,000
Revaluation reserve	20	1,317,810	1,494,661
Profit and loss account	20	1,902,246	1,746,570
<b>SHAREHOLDERS' FUNDS</b>	21	<u>3,221,056</u>	<u>3,242,231</u>

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 30.10.2014 and are signed on its behalf by

N A Winch  
Director



# Danieli Holdings Limited

## COMPANY BALANCE SHEET

for the year ended 30 April 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	11	1,035,780	206,107
Investments	13	1,110,123	1,110,123
		<u>2,145,903</u>	<u>1,316,230</u>
<b>CURRENT ASSETS</b>			
Debtors	15	3,334,325	3,176,017
Cash at bank and in hand		-	810,019
		<u>3,334,325</u>	<u>3,986,036</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(2,615,174)	(2,807,538)
<b>NET CURRENT ASSETS</b>		<u>719,151</u>	<u>1,178,498</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,865,054</u>	<u>2,494,728</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(762,098)	(846,415)
		<u>2,102,956</u>	<u>1,648,313</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000	1,000
Revaluation reserve	20	60,000	-
Profit and loss account	20	2,041,956	1,647,313
<b>SHAREHOLDERS' FUNDS</b>	21	<u>2,102,956</u>	<u>1,648,313</u>

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 30 April 2014 and are signed on its behalf by

N A Winch  
Director



**Danieli Holdings Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 April 2014

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	<i>Notes</i>	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	804,814	816,695
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(141,961)	(123,846)
TAXATION	22	-	(9,630)
CAPITAL EXPENDITURE	22	(1,618,375)	(2,887,053)
EQUITY DIVIDENDS PAID		(400,000)	(280,000)
		<hr/>	<hr/>
CASH OUTFLOW BEFORE FINANCING		(1,355,522)	(2,483,834)
FINANCING	22	349,850	3,164,168
		<hr/>	<hr/>
(DECREASE)/INCREASE IN CASH FOR THE YEAR		(1,005,672)	680,334
		<hr/>	<hr/>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

#### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Danieli Holdings Limited and all of its subsidiary undertakings. The results of subsidiaries acquired were consolidated for the period from which control passed. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment.

All financial statements are made up to 30 April 2014.

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.

No profit and loss account for Danieli Holdings Limited has been presented as permitted by Section 408 of the Companies Act 2006.

#### GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The directors have noted the recent performance trends and the continued support of the group's major funders and related undertakings, which gives them confidence that the group will continue to be profitable, and will continue to meet its liabilities as they fall due.

The directors have prepared forecasts, which show the group's operating cash flows to be sufficient to fund the group's existing working capital requirements. Consequently the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### TURNOVER

Turnover represents the amounts (excluding value added tax) receivable for goods and services provided in the normal course of business during the year. The turnover of the group is derived from its principal activities carried out in the United Kingdom.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

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### 1 ACCOUNTING POLICIES *(continued)*

#### GOODWILL

Purchased goodwill is amortised by equal annual instalments over its estimated useful life of 10 years

Goodwill arising on consolidation is the excess of purchase consideration over fair value of the assets of the companies acquired. In the consolidated accounts the amount of goodwill is capitalised and amortised over 20 years, which, in the opinion of the directors, is the period the company will derive the economic benefit from this goodwill.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Assets under construction are not depreciated. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its useful life, as follows:

CCTV Equipment	- 25% reducing balance and 15% straight line
Plant & Machinery	- 25% straight line, 25% reducing balance, 20% reducing balance and 10% straight line
Fixtures & fittings	- 25% straight line, 20% reducing balance, 15% reducing balance and 10% straight line
Motor vehicles	- 25% straight line, 25% reducing balance and 20% reducing balance
Office equipment	- 25% straight line, 25% reducing balance, 20% straight line and 20% straight line

Freehold property is revalued professionally every five years (with a review by the directors in year three) with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

#### INVESTMENT PROPERTIES

Investment properties are revalued annually.

Surpluses or deficits on individual properties are transferred to the revaluation reserve except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account for the year.

In the opinion of the directors the current market value of the investment property approximates to its carrying value in the financial statements.

Depreciation is not provided on investment properties, in accordance with Statement of Standard Accounting Practice No 19. The directors consider that this accounting policy, which represents a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets, is necessary to provide a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2014

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#### 1 ACCOUNTING POLICIES *(continued)*

##### INVESTMENTS

Fixed asset investments are stated at cost

Provision is made for any impairment in the value of fixed asset investments

##### CAPITALISATION OF INTEREST

Interest directly attributable to the construction of tangible fixed assets, incurred up to the time that identifiable major capital projects are ready for service, is capitalised as part of the cost of the assets

##### STOCK

Stock is valued at the lower of cost and net realisable value

##### LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce constant rates of charge on the net obligations outstanding in each year.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the year of the lease.

##### DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### BANK BORROWINGS

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement on redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

##### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.



# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2014

#### 2 TURNOVER

The total turnover of the group for the year has been derived from its principal activities wholly undertaken in the UK as follows

	2014 £	2013 £
Security services	9,428,029	8,890,272
Training services	1,732	11,420
Respite care services	815,321	723,067
Student accomodation	543,890	274,148
Residential accomodation	7,014	8,087
	<u>10,795,986</u>	<u>9,906,994</u>

#### 3 OTHER OPERATING INCOME

Other operating income relates to compensation for consequential losses and rent receiveable

#### 4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2014 £	2013 £
Other operating leases	-	28,113
Depreciation of owned assets	163,661	200,613
Depreciation of assets held under hire purchase agreements	99,590	57,186
Profit/(loss) on disposal of fixed assets	105,414	(26,736)
Amortisation of intangible assets	58,051	58,051
Auditors' remuneration	16,000	16,000
Auditors' remuneration for non audit work	4,000	4,000
	<u>                    </u>	<u>                    </u>

#### 5 DIRECTORS' REMUNERATION

	2014 £	2013 £
Directors' remuneration	<u>45,000</u>	<u>12,000</u>

#### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank interest	50,489	14,283
Bank loan interest	30,315	34,379
Factoring interest	30,797	26,959
Hire purchase interest	26,932	47,767
Interest on other loans	3,429	641
	<u>141,962</u>	<u>124,029</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2014

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#### 7 PARTICULARS OF EMPLOYEES

The average number of full time and part time persons employed by the group (including directors) during the year, analysed by category, was as follows

	2014	2013
	No	No
Site	900	849
Administration	17	17
	<u>917</u>	<u>866</u>

The aggregate payroll costs of these persons were as follows

	2014	2013
	£	£
Wages and salaries	8,104,319	7,465,495
Social security costs	408,732	358,464
	<u>8,513,051</u>	<u>7,823,959</u>

#### 8 DIVIDENDS

Equity dividends

	2014	2013
	£	£
Dividends on equity shares	<u>400,000</u>	<u>280,000</u>

#### 9 TAXATION

Analysis of charge in the year

	2014	2013
	£	£
Current tax		
UK Corporation tax based on the results for the year at 23% (2012 – 23.92%)	156,624	124,121
(Over)/under provision in prior year	-	(27,499)
Total current tax	<u>156,624</u>	<u>96,622</u>
Deferred tax		
Origination and reversal of timing differences	<u>21,681</u>	<u>24,022</u>
Tax on profit on ordinary activities	<u>178,305</u>	<u>120,644</u>
	£	£
Profit on ordinary activities before taxation	<u>724,304</u>	<u>402,788</u>
Profit on ordinary activities by rate of tax	166,590	96,347
Expenses not deductible for tax purposes	2,757	30,879
Capital allowances in excess of depreciation	9,978	(70)
Utilisation of tax losses	-	(1,406)
Marginal rate tax relief	-	(1,629)
Over provision in prior year	-	(27,499)
Other timing differences	<u>(22,701)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>156,624</u>	<u>96,622</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2014

#### 10 INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 May 2013 and 30 April 2014	<u>1,159,063</u>
Amortisation	
At 1 May 2013	324,483
Charge for the year	<u>58,051</u>
At 30 April 2014	<u>382,534</u>
Net book value	
At 30 April 2014	<u>776,529</u>
At 30 April 2013	<u>834,580</u>

#### 11 TANGIBLE FIXED ASSETS

Group	Freehold property £	Asset in course of construction £	CCTV Equipment £	Plant & machinery £
Cost				
At 1 May 2013	2,058,991	47,392	548,486	131,757
Additions	800,000	789,106	108,675	12,268
Disposals	-	-	-	-
Revaluation	60,000	-	-	-
Transfers	-	(836,498)	-	-
At 30 April 2014	<u>2,918,991</u>	<u>-</u>	<u>657,161</u>	<u>144,025</u>
Depreciation				
At 1 May 2013	-	-	196,496	51,475
Charge for the year	-	-	85,464	17,198
On disposals	-	-	-	-
Transfers	-	-	-	-
At 30 April 2014	<u>-</u>	<u>-</u>	<u>281,960</u>	<u>68,673</u>
Net book value				
At 30 April 2014	<u>2,918,991</u>	<u>-</u>	<u>375,201</u>	<u>75,352</u>
At 30 April 2013	<u>2,058,991</u>	<u>47,392</u>	<u>351,990</u>	<u>80,282</u>

Aggregate finance costs of £69,370 (2013 - £69,370) have been capitalised in relation to assets under construction  
During the year finance costs of £nil (2013 - £69,370) have been capitalised

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

### 11 TANGIBLE FIXED ASSETS (CONTINUED)

Group	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 May 2013	422,921	393,878	111,621	3,715,046
Additions	52,994	24,055	20,188	1,807,286
Disposals	-	(10,040)	-	(10,040)
Revaluation	-	-	-	60,000
Transfers	-	-	-	(836,498)
At 30 April 2014	<u>475,915</u>	<u>407,893</u>	<u>131,809</u>	<u>4,735,794</u>
Depreciation				
At 1 May 2013	142,310	141,445	29,464	561,190
Charge for the year	47,878	85,117	27,594	263,251
On disposals	-	(10,040)	-	(10,040)
Transfers	-	-	-	-
At 30 April 2014	<u>190,188</u>	<u>216,522</u>	<u>57,058</u>	<u>814,401</u>
Net book value				
At 30 April 2014	<u>285,727</u>	<u>191,371</u>	<u>74,751</u>	<u>3,921,393</u>
At 30 April 2013	<u>280,611</u>	<u>252,433</u>	<u>82,157</u>	<u>3,153,856</u>

Included in the total net book value of £3,921,393 in the group is £278,528 (2013 £215,076) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £99,590 (2013 £57,186).

Company	Freehold Property £	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 May 2013	-	565	187,335	70,965	258,865
Additions	800,000	-	24,055	20,188	844,243
Revaluation	60,000	-	-	-	60,000
At 30 April 2014	<u>860,000</u>	<u>565</u>	<u>211,390</u>	<u>91,153</u>	<u>1,163,108</u>
Depreciation					
At 1 May 2013	-	341	39,418	12,999	52,758
Charge for the year	-	142	52,848	21,580	74,570
At 30 April 2014	<u>-</u>	<u>483</u>	<u>92,266</u>	<u>34,579</u>	<u>127,328</u>
Net book value					
At 30 April 2014	<u>860,000</u>	<u>82</u>	<u>119,124</u>	<u>56,574</u>	<u>1,035,780</u>
At 30 April 2013	<u>-</u>	<u>224</u>	<u>147,917</u>	<u>57,966</u>	<u>206,107</u>

Included in the total net book value of £1,035,780 in the company is £135,108 (2013 £147,917) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £58,816 (2013 £39,418).

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

### 12 INVESTMENT PROPERTY

Group	Total £
Valuation	
At 1 May 2013	6,257,257
Addition	4,000
Transfer	836,498
Disposal	(105,564)
Revaluation	(236,851)
At 30 April 2014	<u>6,755,340</u>
Net book value	
At 30 April 2014	<u>6,755,340</u>
At 30 April 2013	<u>6,257,257</u>

In the opinion of the directors the current market value of the investment property approximates to its carrying value in the financial statements

The historical cost of the investment properties is £5,497,530 (2013 £4,762,596)

### 13 FIXED ASSET INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
At 1 May 2013 and 30 April 2014	<u>1,110,123</u>

The parent company and group have investments in the following subsidiary undertakings

Name of company	Country of incorporation	Nature of business	Class and percentage of shares held
Phoenix Security UK Limited	England	Dormant	Ordinary, 100%
Phoenix Eye Limited	England	Security services	Ordinary, 100%
Education and Training Services (UK) Limited	England	Training services	Ordinary, 100%
Northridge Healthcare Limited	England	Respite care services	Ordinary, 100%
Danieli Property Investments Limited	England	Property investment	Ordinary, 75 19%
		Rental of	
Student Accommodation (UK) Limited	England	Student accommodation	Ordinary, 100%
Professional Parking Control Limited	England	Dormant	Ordinary, 100%
Leisuretime Pub Group Limited	England	Dormant	Ordinary, 100%
Leisuretime (Freehold) Limited	England	Dormant	Ordinary, 100%
Leisuretime (Leasehold) Limited	England	Dormant	Ordinary, 100%
Newco (Ponteland) Limited	England	Dormant	Ordinary, 100%

The results of all the subsidiaries have been included in the consolidated accounts

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

### 13 FIXED ASSET INVESTMENTS (CONTINUED)

Under section 479A of the Companies Act 2006 the financial statements of the following subsidiaries are exempt from audit: Leisuretime Pub Group Limited (registered number - 07052639), Leisuretime (Leasehold) Limited (registered number - 07056601) and Leisuretime (Freehold) Limited (registered number - 07056661)

### 14 STOCKS

	2014 Group £	2013 Group £
Consumables	27,784	50,508

### 15 DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	1,577,515	938,629	233	-
Amounts owed by group undertakings	-	-	2,844,011	2,955,227
Corporation tax repayable	-	-	27,317	-
Other debtors	670,893	519,605	74,345	21,800
Directors current account	373,744	176,685	373,744	192,518
Prepayments and accrued income	126,446	435,398	4,857	-
Deferred tax asset	-	-	9,818	6,472
	<u>2,748,598</u>	<u>2,070,317</u>	<u>3,334,325</u>	<u>3,176,017</u>

### 16 CREDITORS Amounts falling due within one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Bank loans and overdrafts	940,403	692,011	522,448	268,798
Trade creditors	477,623	824,110	17,730	220,145
Amounts owed to group undertakings	-	-	1,853,737	1,965,475
Corporation tax	280,742	124,118	-	6,435
Social security and other taxes	1,789,060	1,474,053	55,193	238,502
Obligations under hire purchase agreements	151,491	199,536	53,113	52,743
Other creditors	1,571,396	1,356,306	69,324	51,440
Accruals and deferred income	533,223	400,874	43,629	4,000
	<u>5,743,938</u>	<u>5,071,008</u>	<u>2,615,174</u>	<u>2,807,538</u>

Included in other creditors are liabilities under debt factoring agreements (see note 17). Bank loans and overdrafts, debt factoring liabilities and obligations under hire purchase agreements are secured (see note 17).

### 17 CREDITORS Amounts falling due after more than one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Bank loans	4,939,913	4,523,964	727,602	766,451
Obligations under hire purchase agreements	144,434	178,105	34,496	79,964
	<u>5,084,347</u>	<u>4,702,069</u>	<u>762,098</u>	<u>846,415</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 30 April 2014

#### 17 CREDITORS Amounts falling due after more than one year (*continued*)

	2014	Group 2013	2014	Company 2013
	£	£	£	£
Analysis of bank debt				
Repayable in one year or less, or on demand	345,309	285,500	45,230	43,549
Repayable between one and two years	357,198	303,140	46,587	44,856
Repayable between two and five years	1,021,822	917,641	148,316	142,806
Repayable in five years or more	3,560,893	3,303,183	532,699	578,789
	<u>5,285,222</u>	<u>4,809,464</u>	<u>772,832</u>	<u>810,000</u>

#### Net obligations under finance leases and hire purchase contracts

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Amounts payable within 1 year	151,491	199,536	53,113	52,743
Amounts payable between 2 to 5 years	144,434	178,105	34,496	79,964
	<u>295,925</u>	<u>377,641</u>	<u>87,609</u>	<u>132,707</u>

#### The following secured debts are included within creditors

	Group 2014	2013	Company 2014	2013
	£	£	£	£
Bank overdrafts	1,295,094	406,511	477,218	225,249
Bank loans	5,285,222	4,809,464	772,832	810,000
Debt factoring liability	1,321,013	1,172,444	-	-
Obligations under hire purchase agreements	<u>295,925</u>	<u>377,641</u>	<u>87,609</u>	<u>132,707</u>
	<u>8,197,254</u>	<u>6,766,060</u>	<u>1,337,659</u>	<u>1,167,956</u>

The bank loans relating to the company's properties are secured on those properties. Other bank loans are secured by a debenture on certain assets.

The debt factoring liability is secured by way of a debenture on certain assets.

The hire purchase liabilities are secured on the assets being financed.

The directors have also provided personal guarantees for the group's banking facilities.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

### 18 PROVISIONS FOR LIABILITIES

	Deferred taxation £
<b>Group</b>	
At beginning of year	64,937
Charge for the year	21,681
At end of year	<u>86,618</u>

Deferred taxation is analysed over the following timing differences provided at 23% (2013 23%)

	2014 £	Provided 2013 £	2014 £	Not provided 2013 £
Accelerated capital allowances	86,618	63,382	(14,973)	(11,944)
Other timing differences	-	2,555	-	-
Tax losses available	-	-	(1,892)	(1,892)
Undiscounted provision	<u>86,618</u>	<u>64,937</u>	<u>(16,865)</u>	<u>(13,836)</u>

### 19 SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid equity 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 20 RESERVES

	Profit and loss account £	Revaluation reserve £	Total £
<b>Group</b>			
At 1 May 2013	1,746,570	1,494,661	3,241,231
Retained profit for the year	555,676	-	555,676
Revaluations in the year	-	(176,851)	(176,851)
Dividends	(400,000)	-	(400,000)
At 30 April 2014	<u>1,902,246</u>	<u>1,317,810</u>	<u>3,220,056</u>
<b>Company</b>			
At 1 May 2013	1,647,313	-	1,647,313
Profit for the year	794,643	-	794,643
Revaluations in the year	-	60,000	60,000
Dividends	(400,000)	-	(400,000)
At 30 April 2014	<u>2,041,956</u>	<u>60,000</u>	<u>2,101,956</u>



# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

### 21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<b>Group</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the year	555,676	297,731
Dividends	(400,000)	(280,000)
	<u>155,676</u>	<u>17,731</u>
Revaluation of fixed assets	(176,851)	1,494,661
Net reduction/increase in shareholders' funds	(21,175)	1,512,392
Opening shareholders' funds	3,242,231	1,729,839
Closing shareholders' funds	<u>3,221,056</u>	<u>3,242,231</u>
 <b>Company</b>	 <b>2014</b>	 <b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the year	794,643	715,217
Dividends	(400,000)	(280,000)
	<u>394,643</u>	<u>435,217</u>
Revaluation of fixed assets	60,000	-
Net increase in shareholders' funds	454,643	435,717
Opening shareholders' funds	1,648,313	1,212,596
Closing shareholders' funds	<u>2,102,956</u>	<u>1,648,313</u>

### 22 GROSS CASH FLOWS

#### Reconciliation of operating profit to net cash inflow from operating activities

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit	866,265	526,634
Depreciation	263,251	257,799
Loss/(Profit) on disposal of fixed assets	105,414	(26,736)
Amortisation of intangible assets	58,051	58,051
Decrease/(increase) in stocks	22,724	(4,674)
Increase in debtors	(678,281)	(338,396)
(Decrease)/increase in creditors	167,390	344,017
Net cash inflow from operating activities	<u>804,814</u>	<u>816,695</u>
	 <b>2014</b>	 <b>2013</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	1	183
Interest paid	(115,030)	(76,262)
Interest element of hire purchase payments	(26,932)	(47,767)
	<u>(141,961)</u>	<u>(123,846)</u>

**Danieli Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2014

22 GROSS CASH FLOWS (CONTINUED)

	2014 £	2013 £
<b>Taxation</b>		
Corporation tax paid	-	(9,630)
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(1,618,525)	(3,027,152)
Receipts from sales of tangible assets	150	140,099
	<u>(1,618,375)</u>	<u>(2,887,053)</u>
<b>Financing</b>		
Debt factoring finance movement	148,569	304,549
Increase in bank loans	780,000	3,995,000
Repayment of bank loans	(304,242)	(931,811)
Capital repayments in year	(274,477)	(203,570)
	<u>349,850</u>	<u>3,164,168</u>

23 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£	£
(Decrease)/increase in cash in the period	(1,005,672)	680,334
Cash inflow in respect of repayment of debts, hire purchase and finance lease	(575,522)	1,511,166
New bank loans	(780,000)	(3,995,000)
Change in net funds resulting from cash flows	(1,355,522)	(2,483,834)
New finance leases	(192,761)	(374,924)
Change in net funds	(1,548,283)	(2,858,758)
Net funds at the beginning of the year	(5,944,441)	(3,085,683)
Net funds at the end of the year	<u>(7,492,724)</u>	<u>(5,944,441)</u>

24 ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	821,619	(817,089)	-	4,530
Overdrafts	(406,511)	(188,583)	-	(595,094)
	<u>415,108</u>	<u>(1,005,672)</u>	<u>-</u>	<u>(590,564)</u>
Debt due within one year	(1,457,944)	(208,378)	-	(1,666,322)
Debt due after one year	(4,523,964)	(415,949)	-	(4,939,913)
Finance lease and hire purchase contracts	(377,641)	274,477	(192,761)	(295,925)
	<u>(6,359,549)</u>	<u>(349,850)</u>	<u>(192,761)</u>	<u>(6,902,160)</u>
Net debt	<u>(5,944,441)</u>	<u>(1,355,522)</u>	<u>(192,761)</u>	<u>(7,492,724)</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2014

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### 25 MINORITY INTERESTS

The minority interest represents a 24.81% holding in the equity share capital of Danieli Property Investments Limited

### 26 RELATED PARTY TRANSACTIONS

The company's bank facilities are within a group facility which is secured by personal guarantees of £75,000 each given by S W Howe and N A Winch, directors of the company. The directors operate loan accounts jointly with their wives.

N A Winch (Director) & J M Winch

	2014	2013
	£	£
Amount due from/(to) related party	<u>202,139</u>	<u>168,215</u>
Dividends paid £200,000 (2013 £ 140,000)		

S W Howe (Director) & C Howe

	2014	2013
	£	£
Amount due from/(to) related party	<u>171,605</u>	<u>8,470</u>
Dividends paid £200,000 (2013 £ 140,000)		

### 27 TRANSACTIONS WITH DIRECTORS

During the year under review Mr N A Winch and his wife Mrs J M Winch, maintained a joint loan account with the company. Funds of £6,375,070 (2013 £204,529) were introduced and funds of £6,408,994 (2013 £433,010) withdrawn leaving a balance due to the company of £202,139 (2013 £168,215 due to the company).

During the year under review Mr S W Howe and his wife Mrs C Howe, maintained a joint loan account with the company. Funds of £379,800 (2013 £205,403) were introduced and funds of £542,935 (2013 £392,858) withdrawn leaving a balance due to the company of £171,605 (2013 £8,470 due to the company).

No interest (2013 £Nil) has been charged on the above loans.

### 28 ULTIMATE CONTROLLING UNDERTAKING

The company is under the joint control of S Howe and N A Winch, directors of the company.