DSF (2003) Limited

Directors' Report and Financial Statements

Year Ended

31 May 2017

Company Number SC144009

DSF (2003) Limited

Company Information

Directors	G M Bell P A Bearn P M Hutchinson N A Parkin C J Whelpton R Whitehurst
Registered number	SC144009
Registered office	50 Lothian Road Festival Square Edinburgh EH3 9WJ
Independent auditor	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Yorkshire Bank 3 Broughton Lane Sheffield S9 2DD
Solicitors	Burness LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ

DSF (2003) Limited

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Directors' Report
For the Year Ended 31 May 2017

The directors present their report and the audited financial statements for the year ended 31 May 2017.

Principal activity

The principal activity of the company for the year was that of a holding company.

Directors

The directors who served during the year were:

G M Bell
P A Bearn
P M Hutchinson
N A Parkin
C J Whelpton
R Whitehurst

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 5/12/17 and signed on its behalf.

P A Bearn
Director

DSF (2003) Limited

Directors' Responsibilities Statement
For the Year Ended 31 May 2017

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 Accountancy 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 DSF (2003) Limited

We have audited the financial statements of DSF (2003) Limited for the year ended 31 May 2017 which comprise the statement of comprehensive income, the statement of financial position and the related notes. 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 explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at 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 company's affairs as at 31 May 2017 and of the result 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 based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the members of DSF (2003) Limited (continued)

Matters on which we are required to report by exception

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material mistatements in 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, or returns adequate for our audit have not been *received from branches not visited by us; or*
- the 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; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption to prepare a strategic report.

BDO LLP

Craig Burton (Senior statutory auditor)
For and on behalf of BDO LLP, Statutory auditor
Leeds
United Kingdom
20 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

DSF (2003) Limited

Statement of Comprehensive Income
For the Year Ended 31 May 2017

The company has not traded during the year or the preceding financial year. During these periods, the company received no income and incurred no expenditure and therefore made neither profit or loss.

Statement of Financial Position
As at 31 May 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	5		**1,317,059**		1,317,059
Current assets					
Debtors: amounts falling due within one year	6		**28,272**		28,272
Net assets			**1,345,331**		1,345,331
Capital and reserves					
Called up share capital	7		**666,222**		666,222
Share premium account	8		**11,400**		11,400
Revaluation reserve	8		**667,707**		667,707
Profit and loss account	8		**2**		2
			1,345,331		1,345,331

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5/12/17

P A Bearn
Director

The notes on pages 6 to 11 form part of these financial statements.

1. General information

DSF (2003) Limited is a company limited by shares incorporated in Scotland under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are shown in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Consolidated financial statements

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of shares issued together with the fair value of any additional consideration paid.

2. Accounting policies (continued)

2.4 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors have made no material judgements or key estimates in preparing these financial statements.

4. Employees

The company had no employees other than the directors in the current or prior year.

During the year, no director received any emoluments (2016 - £Nil).

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2016	**1,317,059**
At 31 May 2017	**1,317,059**
Net book value	
At 31 May 2017	**1,317,059**
At 31 May 2016	1,317,059

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding	Principal activity
DSF Refractories & Minerals Limited	50 Lothian Road, Edinburgh, Midlothian, EH3 9WJ	Ordinary shares of £1 each	100 %	Manufacture of refractory products for use in the glass industry and other high temperature industrial applications and the processing of minerals.

The aggregate of the share capital and reserves as at 31 May 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
DSF Refractories & Minerals Limited	1	1

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	**28,272**	28,272

7. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
666,000 Ordinary shares of £1 each	**666,000**	666,000
222,000 A Ordinary shares of £0 each	**222**	222
	666,222	666,222

The ordinary shares and the A ordinary shares rank parri passu in all respects.

8. Reserves

The company's capital and reserves are as follows:

Share capital

The called up share capital represents the nominal value of the shares issued

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

9. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings, are publicly available.

10. Controlling party

DSF (2003) Limited is a wholly owned subsidiary of DSF Holdings Limited, a company registered in Scotland. Copies of the financial statements of DSF Holdings Limited may be obtained from The Secretary, DSF Holdings Limited, 50 Lothian Road, Edinburgh, EH3 9WJ. This is the largest and smallest group into which these financial statements are consolidated.