

**DANIELI HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2016**

DSEP Parent Acc for

07056661

Leisureline (Freehold)  
Limited

THURSDAY



\*A5XH0KCO\*

A10

05/01/2017

#394

COMPANIES HOUSE

# DANIELI HOLDINGS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	N A Winch S W Howe
<b>Secretary</b>	N A Winch
<b>Company number</b>	06599929
<b>Registered office</b>	Patrick House Gosforth Park Avenue Gosforth Business Park Newcastle upon Tyne NE12 8EG
<b>Auditors</b>	RSM UK Audit LLP Chartered Accountants 1 St James Gate Newcastle upon Tyne NE1 4AD

---

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

---

The directors present the strategic report and financial statements for the year ended 30 April 2016

#### **Fair review of the business**

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 be 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 and gross profit margins before tax were –

	2016	2015
	£	£
Sales	11,257,189	10,572,856
Gross profit	2,920,342	3,316,513

Sales during the financial year have increased by £684,333 which the directors are satisfied with.

There is a decrease in gross margin from 31.4% to 25.9% in line with expectations.

The financial year ahead is expected to show further increased sales due to our continued expansion into other parts of the UK.

#### **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 and gross profit margins before tax were –

	2016	2015
	£	£
Sales	722,098	838,279
Gross profit	233,364	250,369

The 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.

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### **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

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

	2016	2015
	£	£
Sales	58,001	107,170
Gross profit	51,670	104,070

#### **Student Accommodation (UK) Limited**

In line with the overall strategy of the group to re-focus on core activities the property operated by the company was sold during the year to 30 April 2015. The directors have no immediate plans for this company

#### **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

#### **YOLO (Ponteland) Limited**

The principal activity of the company has been, and will continue to be the operation of a licensed premises. The year to 30 April 2016 saw the company commence trading

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

	2016	2015
	£	£
Sales	589,193	-
Gross profit	159,924	-

The directors expect the company to continue to grow in the coming year

#### **Monitoring and managing risk**

The directors consider the key risk facing the business to be as follows

##### *Compliance*

Phoenix Eye Limited is an approved contractor under the Security Industry Authority's Approved Contractor scheme, as established by the Private Security Industry Act 2001. Though this is a voluntary scheme if Phoenix Eye Limited was to lose its approved status a significant proportion of the company's and group's turnover and profits would be jeopardised. It is therefore paramount that the risk of this happening is mitigated. The directors have in place a suitable recruitment process and appropriate training to ensure only the most suitable qualified members of staff are employed. Together with this the company uses in house experience and expertise as well as external consultants, when required, to ensure that the company continues to comply with laws and regulations.

Northridge Healthcare Limited's activities are also regulated. The company must comply with various laws and regulations surrounding the provision of respite and residential care. Compliance with these laws and regulations is monitored by the Care Quality Commission. The directors have put in place similar safeguards to ensure compliance within this subsidiary.

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2016

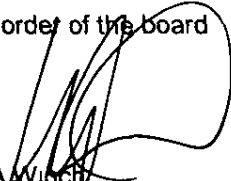
---

### Monitoring and managing risk (continued)

#### *People*

Inability to recruit and retain the best people may weaken the group's ability to meet its objectives. Recruitment and retention is measured and regularly reviewed across the group companies. The group regularly reviews its remuneration arrangements to ensure that these remain competitive in each market sector.

By order of the board



N.A. Vinci  
Secretary

18 October 2016

# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

---

The directors present their report and financial statements for the year ended 30 April 2016

#### **Principal activities**

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

#### **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

#### **Results and dividends**

The profit for the year, after taxation and non-controlling interests, amounted to £656,321 (2015 £983,383) A dividend of £550,000 (2015 £300,000) was paid during the year

#### **Financial risk management objectives and policies**

The group finances its operations through a mixture of retained profits, bank borrowings, hire purchase agreements and finance. 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

#### **Matters of strategic importance**

Information is not shown within the Directors' Report as it is instead included within the Strategic Report on pages 1 to 3 under S414c(11)

#### **Disabled employees and employee involvement**

The group employs disabled persons when they appear 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

The group is an equal opportunities employer. It is the group's policy to develop and apply procedures and practices which are designed to ensure that equal opportunities are provided to employees, or those who seek employment

All employees are treated fairly and equally. Selection for employment, promotion, training or other matters affecting their employment is on the basis of aptitude and ability

# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### **Disabled employees and employee involvement (continued)**

It is the group's policy to give full and fair consideration to the employment of disabled persons (and persons who become disabled whilst employed by the company) and to comply with any current legislation with regard to disabled persons

The group aims to promote employee involvement in order to achieve a shared commitment from all employees to the success of the businesses in which they are employed

#### **Auditor**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information

By order of the board



N A Winch  
Secretary

18 October 2016

# **DANIELI HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 APRIL 2016**

---

The directors are responsible for preparing the Directors' Report, the Strategic 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 and 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 group and 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 MEMBERS OF DANIELI HOLDINGS LIMITED

---

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 31. 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 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 6, 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 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 [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on the 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic 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 RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
Chartered Accountants  
1 St James Gate  
Newcastle upon Tyne  
NE1 4AD

21 October 2016

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
Turnover	3	12,593,659	12,018,107
Cost of sales		(8,926,971)	(8,043,104)
<b>Gross profit</b>		<u>3,666,688</u>	<u>3,975,003</u>
Administrative expenses		(3,121,188)	(2,780,869)
Other operating income		280,515	701,984
<b>Operating profit</b>	4	<u>826,015</u>	<u>1,896,118</u>
Loss on disposal of fixed assets		-	(824,797)
<b>Profit on ordinary activities before interest</b>		<u>826,015</u>	<u>1,071,321</u>
Interest receivable and similar income	8	50	253
Interest payable and similar charges	9	(141,944)	(100,656)
<b>Profit on ordinary activities before taxation</b>		<u>684,121</u>	<u>970,918</u>
Taxation	10	(27,800)	(369,979)
<b>Profit for the financial year</b>		<u>656,321</u>	<u>600,939</u>
<b>Other comprehensive income net of taxation</b>			
Revaluation of tangible fixed assets		-	65,000
<b>Total comprehensive income for the year</b>		<u>656,321</u>	<u>665,939</u>
<b>Profit for the year attributable to</b>			
Owners of the parent		656,478	983,383
Non-controlling interests		(157)	(382,444)
<b>Profit for the year</b>		<u>656,321</u>	<u>600,939</u>
<b>Total comprehensive income for the year attributable to</b>			
Owners of the parent		656,478	817,631
Non-controlling interest		(157)	(151,692)
<b>Total comprehensive income for the year</b>		<u>656,321</u>	<u>665,939</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations

# DANIELI HOLDINGS LIMITED

Company Registration No 06599929

## STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2016

	Notes	2016 £	Group 2015 £	2016 £	Company 2015 £
<b>Fixed assets</b>					
Intangible assets	12	660,427	718,478	-	-
Tangible assets	13	4,812,771	4,090,442	1,240,140	1,163,895
Investment properties	14	110,340	110,340	-	-
Investments	15	-	-	1,110,023	1,110,123
		<u>5,583,538</u>	<u>4,919,260</u>	<u>2,350,163</u>	<u>2,274,018</u>
<b>Current assets</b>					
Stocks	17	99,179	47,284	-	-
Debtors	18	4,363,866	4,306,425	3,883,361	4,447,672
Cash at bank and in hand		30,023	945	37	50
		<u>4,493,068</u>	<u>4,354,654</u>	<u>3,883,398</u>	<u>4,447,722</u>
<b>Creditors: amounts falling due within one year</b>	19	(4,657,163)	(5,003,079)	(2,887,046)	(3,017,863)
Net current (liabilities)/assets		<u>(164,095)</u>	<u>(648,425)</u>	<u>996,352</u>	<u>1,429,859</u>
<b>Total assets less current liabilities</b>		<u>5,419,443</u>	<u>4,270,835</u>	<u>3,346,515</u>	<u>3,703,877</u>
<b>Creditors Amounts falling due after more than one year</b>	20	(1,441,567)	(449,576)	(586,534)	(88,176)
<b>Provisions for liabilities</b>	24	(186,345)	(136,049)	(11,976)	(13,217)
<b>Net assets</b>		<u>3,791,531</u>	<u>3,685,210</u>	<u>2,748,005</u>	<u>3,602,484</u>
<b>Capital and reserves</b>					
Called up share capital	27	1,000	1,000	1,000	1,000
Revaluation reserve		188,281	188,281	125,000	125,000
Profit and loss reserves		3,655,884	3,549,406	2,622,005	3,476,484
		<u>3,845,165</u>	<u>3,738,687</u>	<u>2,748,005</u>	<u>3,602,484</u>
<b>Capital and reserves attributable to non-controlling interests</b>		(53,634)	(53,477)	-	-
<b>Total equity</b>		<u>3,791,531</u>	<u>3,685,210</u>	<u>2,748,005</u>	<u>3,602,484</u>

The financial statements on pages 8 to 32 were approved by the board of directors and authorised for issue on 18 October 2016 and are signed on its behalf by

N A Winch  
Director

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	Share capital £	Revaluation Reserve £	Profit and loss reserves £	Controlling Interests £	Non Controlling Interests £	Total £
Balance at 1 May 2014		1,000	1,317,810	2,000,461	3,221,056	98,215	3,319,271
Profit for the year		-	-	600,939	983,383	(382,444)	600,939
Revaluations of land and buildings		-	65,000	-	65,000	-	65,000
Transfer		-	(1,194,529)	1,194,529	(230,752)	230,752	-
Total comprehensive income for the year		-	(1,129,529)	1,795,468	817,631	(151,692)	665,939
Dividend		-	-	(300,000)	(300,000)	-	(300,000)
Balance at 30 April 2015		1,000	188,281	3,495,929	3,738,687	(53,477)	3,685,210
Balance at 1 May 2015		1,000	188,281	3,495,929	3,738,687	(53,477)	3,685,210
Profit and total comprehensive income for the year		-	-	656,321	656,478	(157)	656,321
Dividend	11	-	-	(550,000)	(550,000)	-	(550,000)
Balance at 30 April 2016		1,000	188,281	3,602,250	3,845,165	(53,634)	3,791,531

# DANIELI HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2016

---

	Notes	Share capital £	Revaluation Reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2014		1,000	60,000	2,041,956	2,102,956
Profit for the year		-	-	1,734,528	1,734,528
Revaluation of freehold property		-	65,000	-	65,000
Total comprehensive income for the year		-	65,000	1,734,528	1,799,528
Dividend		-	-	(300,000)	(300,000)
Balance at 30 April 2015		1,000	125,000	3,476,484	3,602,484
Balance at 1 May 2015		1,000	125,000	3,476,484	3,602,484
Loss and total comprehensive income for the year		-	-	(304,479)	(304,479)
Dividend	11	-	-	(550,000)	(550,000)
Balance at 30 April 2016		1,000	125,000	2,622,005	2,748,005

---

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2016

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	30	686,673	(1,127,666)
Interest paid		(141,944)	(100,656)
Income taxes paid		(78,334)	(202,853)
		<hr/>	<hr/>
<b>Net cash from/(used in) operating activities</b>		466,395	(1,431,175)
		<hr/>	<hr/>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(654,143)	(451,100)
Proceeds on disposal of tangible fixed assets		12,500	154,763
Interest received		50	253
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(641,593)	(296,084)
		<hr/>	<hr/>
<b>Financing activities</b>			
Proceeds of new bank loans		1,137,000	4,667,024
Repayment of bank loans		(828,902)	(2,562,907)
Payment of obligations under finance leases		(327,568)	(228,703)
		<hr/>	<hr/>
<b>Net cash (used in)/from financing activities</b>		(19,470)	1,875,414
		<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(194,668)	148,155
<b>Cash and cash equivalents at beginning of year</b>		(442,409)	(590,564)
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>		(637,077)	(442,409)
		<hr/> <hr/>	<hr/> <hr/>
<b>Relating to:</b>			
Bank balances and short term deposits included in cash at bank and in hand		30,023	945
Overdrafts included in "creditors amounts falling due within one year"		(667,100)	(443,354)
		<hr/>	<hr/>
		(637,077)	(442,409)
		<hr/> <hr/>	<hr/> <hr/>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies

##### **Company information**

Danieli Holdings Limited ("the company") is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG.

The group consists of Danieli Holdings Limited and all of its subsidiaries.

The company's principal activity during the year was that of a holding company and the provision of administration services for the rest of the group. The company's subsidiaries and the nature of their business are shown in the notes to these financial statements.

##### **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, and under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the year and total comprehensive income for the year was £304,479 (2015 profit of 1,734,528 and total comprehensive income of £1,799,528).

These financial statements are the first financial statements of Danieli Holdings Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Danieli Holdings Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

##### **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). Subsidiaries are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 April 2016.

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

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies (continued)

##### **Basis of consolidation (continued)**

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

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 directly attributable costs

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

##### **Going concern**

The group has net current liabilities. The directors have at the time of approving the financial statements, a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

##### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. 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 recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

##### **Intangible fixed assets - goodwill**

Goodwill is capitalised and written off evenly over 20 years as, in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected 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 & fitting	–	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



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies (continued)

##### **Tangible fixed assets (continued)**

Properties whose fair value can be measured reliably are held under the valuation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity, such gains and losses are recognised in profit or loss.

##### **Investment properties**

Investment properties (including properties held under an operating lease) are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

##### **Fixed asset investments**

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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Impairments of fixed assets**

At each reporting 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). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **Stocks**

Stocks are valued 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, the group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies (continued)

##### **Financial assets**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value

##### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition

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

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss

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

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity

##### **Financial liabilities**

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value

##### **De-recognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies (continued)

##### Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue 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 in 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 a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. 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 is not discounted.

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 income or expenses from subsidiaries except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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.

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 1 Accounting policies (continued)

##### **Retirement benefits**

The group operates a defined contribution pension scheme. 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 the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### **Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements,

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Danieli Holdings Limited. The consolidated financial statements of Danieli Holdings Limited are available from its registered office, Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

##### **Critical accounting estimates and assumptions**

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results

#### 3 Turnover

An analysis of the group's turnover is as follows

	2016 £	2015 £
<b>Class of business</b>		
Security services	11,257,189	10,769,262
Training services	26,501	7,245
Respite care services	720,776	838,280
Operation of licenced premises	589,193	-
Student accommodation	-	393,507
Residential accommodation	-	9,813
	<u>12,593,659</u>	<u>12,018,107</u>

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

##### **Other significant revenue**

###### *Continuing operations*

Rent receivable	15,678	28,533
Sundry income	264,837	432,474
Consequential losses	-	240,977
	<u>280,515</u>	<u>701,984</u>

#### 4 Operating profit

Operating profit is stated after charging

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the group's and company's financial statements	11,000	19,000
Depreciation of owned tangible fixed assets	261,385	159,314
Depreciation of tangible fixed assets held under finance leases	73,898	63,057
Loss on disposal of tangible fixed assets	730	19,413
Amortisation of goodwill	58,051	58,051
Operating lease charges	9,951	9,864

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

	2016	2015
	£	£
<b>5 Auditor's remuneration</b>		
Fees payable to the company's auditor and its associates		
<b>For audit services</b>		
Audit of the group's and company's financial statements	3,000	5,000
Audit of the company's subsidiaries	8,000	14,000
	<u>11,000</u>	<u>19,000</u>
<b>For other services.</b>		
Other services	12,950	11,900
	<u>23,950</u>	<u>30,900</u>

### 6 Employees

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

	2016	2015
	No	No
Site	1,351	1,228
Administration	27	24
	<u>1,378</u>	<u>1,252</u>

Their aggregate remuneration comprised

	2016	2015
	£	£
Wages and salaries	9,852,384	8,963,915
Social security costs	486,044	294,886
Pension costs	32,181	25,566
	<u>10,370,609</u>	<u>9,284,367</u>

---

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

<b>7</b>	<b>Directors' remuneration</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
	Remuneration for qualifying services	100,100	69,122
		<hr/>	<hr/>
	None of the directors are accruing benefits under pension schemes (2015 None)		
<b>8</b>	<b>Interest receivable and similar income</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	50	253
		<hr/>	<hr/>
<b>9</b>	<b>Interest payable and similar charges</b>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
	<b>Interest on financial liabilities measured at amortised cost</b>		
	Interest on bank overdrafts and loans	48,145	49,438
	Interest on finance leases and hire purchase contracts	55,015	23,785
	Interest on invoice finance arrangements	38,784	27,433
	Total finance costs	141,944	100,656
		<hr/>	<hr/>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

10	Taxation	2016 £	2015 £
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	75,039	306,781
	Adjustments in respect of prior periods	(91,472)	13,767
	Total current tax	<u>(16,433)</u>	<u>320,548</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	44,233	49,431
	Total deferred tax	<u>44,233</u>	<u>49,431</u>
	Total tax charge	<u><u>27,800</u></u>	<u><u>369,979</u></u>

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows

	2016 £	2015 £
Profit before taxation	684,121	970,918
Expected tax charge based on a corporation tax rate of 20.00%	136,824	203,116
Tax effect of expenses that are not deductible in determining taxable profit	25,672	26,733
Other short term timing differences	(923)	126,363
Depreciation on assets not qualifying for tax allowances	9,715	-
Research and development tax credit	(29,607)	-
Effect of change in local corporation tax rate	(14,329)	-
Deferred tax not recognised	(8,080)	-
Under/(over) provided in the year	(91,472)	13,767
Tax expense for the year	<u><u>27,800</u></u>	<u><u>369,979</u></u>

11	Dividends	2016 £	2015 £
	Ordinary		
	Final paid	550,000	300,000
		<u>550,000</u>	<u>300,000</u>



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

---

#### 12 Intangible assets

##### Group

	<b>Goodwill £</b>
<b>Cost</b>	
1 May 2015 and 30 April 2016	1,159,063
<b>Amortisation and impairment</b>	
1 May 2015	440,585
Amortisation charged in the year	58,051
30 April 2016	498,636
<b>Carrying amount</b>	
30 April 2016	660,427
30 April 2015	718,478

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

13	Tangible fixed assets												
	Group	Leasehold Property	Freehold Property	CCTV Equipment	Plant and Machinery	Fixtures and fittings	Motor vehicles	Office equipment	Total				
		£	£	£	£	£	£	£	£				£
	<b>Cost or valuation</b>												
	1 May 2015	3,665	2,988,023	862,418	150,512	449,080	281,281	291,630	5,026,609				
	Additions	408,057	-	211,212	24,544	179,712	242,244	5,073	1,070,842				
	Disposals	-	-	-	-	-	(24,055)	-	(24,055)				
	30 April 2016	411,722	2,988,023	1,073,630	175,056	628,792	499,470	296,703	6,073,396				
	<b>Depreciation and impairment</b>												
	1 May 2015	-	-	385,925	80,410	226,986	153,523	89,323	936,167				
	Depreciation charged in the year	24,576	-	132,584	20,984	63,763	58,229	35,147	335,283				
	Eliminated in respect of disposals	-	-	-	-	-	(10,825)	-	(10,825)				
	30 April 2016	24,576	-	518,509	101,394	290,749	200,927	124,470	1,260,625				
	<b>Carrying amount</b>												
	30 April 2016	387,146	2,988,023	555,121	73,662	338,043	298,543	172,233	4,812,771				
	30 April 2015	3,665	2,988,023	476,493	70,102	222,094	127,758	202,307	4,090,442				

Included in the total net book value of £4,812,771 in the group is £451,552 (2015 £399,743) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £73,898 (2015 £63,057)

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

13	Tangible fixed assets	Freehold properties £	Fixtures And fittings £	Motor vehicles £	Office equipment £	Total £
	Company					
	Cost or valuation					
	1 May 2015	925,000	565	70,379	250,973	1,246,917
	Additions	-	3,285	150,235	974	154,494
	Disposals	-	-	(24,055)	-	(24,055)
	30 April 2016	925,000	3,850	196,559	251,947	1,377,356
	Depreciation and impairment					
	1 May 2015	-	565	21,627	60,830	83,022
	Depreciation charged in the year	-	1,056	30,371	33,592	65,019
	Eliminated in respect of disposals	-	-	(10,825)	-	(10,825)
	30 April 2016	-	1,621	41,173	94,422	137,216
	Carrying amount					
	30 April 2016	925,000	2,229	155,386	157,525	1,240,140
	30 April 2015	925,000	-	48,752	190,143	1,163,895

Included in the total net book value of £1,240,140 in the group is £172,721 (2015 £148,382) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £34,301 (2015 £37,085)

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

<b>14</b>	<b>Investment property</b>	<b>£</b>
	Net book value at 30 April 2016 and 30 April 2015	110,340

Investment property comprises a lease at Belle Villas, Ponteland. The fair value of the investment property has been arrived at on the basis of a valuation carried out during the year ended 30 April 2013. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. 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 £47,059 (2015: £47,059).

<b>15</b>	<b>Fixed asset investments</b>	
	<b>Company</b>	<b>Investment in subsidiaries £</b>
	Cost	
	1 May 2015	1,110,123
	Disposal	(100)
	Investments in subsidiaries	<u>1,110,023</u>

### 16 Subsidiary undertakings

Details of the company's subsidiaries at 30 April 2016 are as follows:

Name of undertaking	Class of shareholding	Proportion of nominal value held directly	Nature of business
Phoenix Eye Limited	Ordinary	100%	Security services
Northridge Healthcare Limited	Ordinary	100%	Respite care services
Education and Training Services (UK) Limited	Ordinary	100%	Training services
YOLO (Ponteland) Limited	Ordinary	100%	Licensed bar and restaurant
Student Accommodation Limited	Ordinary	100%	Student accommodation
Danieli Property Investments Limited	Ordinary	75.2%	Property investment
Leisuretime Pubgroup Limited	Ordinary	100%	Dormant
Leisuretime (Leashold) Limited	Ordinary		Dormant
Leisuretime (Freehold) Limited	Ordinary		Dormant
Phoenix Security (UK) Limited	Ordinary	100%	Dormant

During the year Professional Parking Control Limited a subsidiary on 1 May 2015 was struck off.

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

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2016

### 16 Subsidiary undertakings (continued)

Under section 479A of the Companies Act 2006 the financial statements of the following subsidiaries are exempt from audit Leisuretime Pubgroup Limited (registered no 07052639), Leisuretime (Leasehold) Limited (registered no 07056601) and Leisuretime (Freehold) Limited (registered no 07056661)

### 17 Stocks

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Consumables	99,179	47,284	-	-

### 18 Debtors

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
<b>Amounts falling due within one year*</b>				
Trade debtors	1,615,026	1,742,832	4,569	88
VAT recoverable	-	-	-	16,793
Amounts due from subsidiary undertakings	-	-	2,613,389	3,330,513
Other debtors	1,316,537	1,739,034	1,164,856	1,064,758
Prepayments and accrued income	1,432,303	824,559	100,547	35,520
	<u>4,363,866</u>	<u>4,306,425</u>	<u>3,883,361</u>	<u>4,447,672</u>

### 19 Creditors Amounts falling due within one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Loans and overdrafts	997,319	1,488,354	58,244	995,861
Obligations under finance leases	311,297	191,278	94,693	49,584
Corporation tax payable	297,607	398,437	-	-
Other taxation and social security	933,339	779,684	76,348	6,868
Trade creditors	112,990	126,031	67,617	96,491
Amounts due to subsidiary undertakings	-	-	2,522,795	1,792,976
Other creditors	1,615,691	1,468,863	22,032	26,470
Accruals and deferred income	388,920	550,432	45,317	49,613
	<u>4,657,163</u>	<u>5,003,079</u>	<u>2,887,046</u>	<u>3,017,863</u>

See note 21 for details of security in relation to bank debt

Obligations under finance leases are secured on the assets to which they relate

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 20 Creditors: Amounts falling due after more than one year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Loans and overdrafts	1,295,768	272,889	513,768	-
Obligations under finance leases	145,799	176,687	72,766	88,176
	<u>1,441,567</u>	<u>449,576</u>	<u>586,534</u>	<u>88,176</u>

See note 22 for details of security in relation to bank debt

Obligations under finance leases are secured on the assets to which they relate

#### 21 Financial instruments

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,645,049	1,743,777	4,606	138
	<u>1,645,049</u>	<u>1,743,777</u>	<u>4,606</u>	<u>138</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	3,252,093	2,805,671	852,405	1,279,725
	<u>3,252,093</u>	<u>2,805,671</u>	<u>852,405</u>	<u>1,279,725</u>

#### 22 Borrowings

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Bank overdrafts	667,100	443,354	15,665	6,861
Bank loans	1,625,987	1,317,889	556,347	989,000
Finance lease liabilities	457,096	367,965	167,459	137,724
	<u>2,750,183</u>	<u>2,129,208</u>	<u>739,471</u>	<u>1,133,585</u>
Payable within one year	1,308,616	1,679,632	152,937	1,045,409
Payable after one year	1,441,567	449,576	586,534	88,176
	<u>1,308,616</u>	<u>1,679,632</u>	<u>152,937</u>	<u>1,045,409</u>
Amounts included above which fall due after five years				
Payable by instalments	-	-	-	-
Payable other than by instalments	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 22 Borrowings (continued)

The long-term loans are secured by a debenture on certain assets

The group has two term loans with AIB Bank plc

The balance on the first loan as at 30 April 2016 was £556,347 This bank loans runs until 1 June 2020 Repayments of £39,135 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 is currently 0.5%

The balance on the second loan as at 30 April 2016 was £1,069,640 This bank loans runs until 1 June 2020 Repayments of £23,970 are due quarterly, exclusive of 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 is currently 0.5%

#### 23 Finance lease commitments

Future minimum lease payments due under finance leases

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Less than one year	376,415	231,290	106,009	49,584
Between one and five years	164,904	204,475	87,582	88,176
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Less future finance charges	(84,223)	(67,800)	(26,132)	(31,579)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>457,096</u>	<u>367,965</u>	<u>167,459</u>	<u>137,760</u>

#### 24 Provisions for liabilities

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Deferred tax liabilities	186,345	136,049	11,976	13,217
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

25	Deferred taxation	Group		Company	
		2016 £	2015 £	2016 £	2015 £
	Deferred tax liabilities	186,345	136,049	11,976	13,217
	Net position at 30 April 2016	<u>186,345</u>	<u>136,049</u>	<u>11,976</u>	<u>13,217</u>

The major deferred tax liabilities and assets recognised are

Deferred tax liabilities	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Accelerated capital allowances	<u>186,345</u>	<u>136,049</u>	<u>11,976</u>	<u>13,217</u>

#### 26 Retirement benefits schemes

##### Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to profit or loss amounted to £32,181 (2015 £25,566). Contributions totalling £11,793 (2015 £39,534) were payable to the fund at the year end and are included in creditors.

#### 27 Share capital & reserves

##### 1,000 ordinary shares of £1 each Number

Allotted, issued and fully paid  
1 May 2015 and 30 April 2016

1,000

##### Ordinary share rights

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.

##### Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

##### Retained earnings

Cumulative profit and loss net of distributions to owners



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 28 Related party transactions

##### Remuneration of key management personnel

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

	2016 £	2015 £
Aggregate compensation	100,100	69,122

##### Transactions with related parties

The subsidiary undertakings identified in note 16

The following amounts were outstanding at the reporting end date

	Amounts owed by related parties 2016			Amounts owed by related parties 2015		
	Balance £	Provision £	Net £	Balance £	Provision £	Net £
Entities over which the entity has control, joint control or significant influence	2,613,389	-	2,613,389	3,330,513	-	3,330,513
Key management personnel	662,726	-	662,726	490,841	-	490,841
Other related parties	396,138	-	396,138	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	Amounts owed to related parties 2016			Amounts owed to related parties 2015		
	Balance £	Provision £	Net £	Balance £	Provision £	Net £
Entities over which the entity has control, joint control or significant influence	2,522,795	-	2,522,795	1,792,976	-	1,792,976
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2016

#### 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

Danieli Holdings Limited is the smallest and largest group for which consolidated financial statements including Danieli Holdings Limited are prepared

#### 30 Cash generated from operations

	2016 £	Group 2015 £
Profit for the year	656,321	600,939
<b>Adjustments for:</b>		
Income tax expense recognised in profit or loss	27,800	369,979
Finance costs recognised in profit or loss	141,944	100,656
Investment income recognised in profit or loss	(50)	(253)
Loss on disposal of tangible fixed assets	730	844,210
Amortisation and impairment of intangible assets	58,051	58,051
Depreciation and impairment of tangible fixed assets	335,283	222,371
<b>Operating cash flows before movements in working capital</b>	<b>1,220,079</b>	<b>2,195,953</b>
Decrease/(increase) in stock	(51,895)	(19,500)
Decrease/(increase) in trade and other debtors	(607,441)	(1,857,827)
Increase/(decrease) in trade and other creditors	125,930	(1,446,292)
<b>Cash generated from/(used in) operations</b>	<b>686,673</b>	<b>(1,127,666)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents represent		
Cash at bank	30,023	945
Overdraft	(667,100)	(443,354)
	<b>(637,077)</b>	<b>(442,409)</b>

#### 31 Adoption of FRS 102

The group's date of transition to FRS 102 was 1 May 2014. The directors have not made any adjustments to equity as at 1 May 2014, equity as at 1 May 2015 or to the profit reported for the year to 30 April 2015 because they do not consider there to be any material impact as a result of the transition to FRS 102.