

**Registration number 2006753**

**Denwis Limited**

**Directors' report and unaudited financial statements**

**for the period ended 31 December 2004**



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## **Denwis Limited**

### **Company information**

Directors	O J Oyston V Oyston K S Oyston
Secretary	R Conlon
Company number	2006753
Registered office	Blackpool Football Club Seasiders Way Blackpool FY1 6JJ
Accountants	A I Cherry Limited 26 Winckley Square Preston Lancashire PR1 3JJ
Bankers	HSBC Bank Plc Oxford Square 1 Newhouse Road Blackpool FY4 4YH

**Denwis Limited**

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**Denwis Limited**

**Directors' report  
for the period ended 31 December 2004**

The directors present their report and the financial statements for the period ended 31 December 2004.

**Principal activity**

The principal activity of the company is the conversion, letting and management of textile mills.

**Directors and their interests**

The directors who served during the period and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>31/12/04</b>	<b>01/06/04</b>
O J Oyston	2	2
V Oyston	-	-
K S Oyston	-	-

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 23 November 2005 and signed on its behalf by

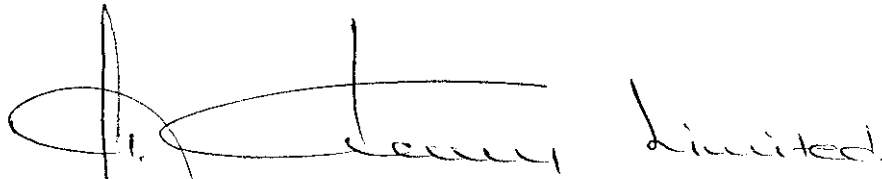


**R Conlon**  
**Secretary**

**Denwis Limited**

**Accountants' report on the unaudited financial statements to the directors of  
Denwis Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the period ended 31 December 2004 set out on pages 3 to 13 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



**A I Cherry Limited  
Chartered Accountants  
26 Winckley Square  
Preston  
Lancashire  
PR1 3JJ**

**Date:** 23 November 2005

**Denwis Limited**

**Profit and loss account  
for the period ended 31 December 2004**

		<b>Period ended 31/12/04</b>	<b>Year ended 31/05/04</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	104,766	173,351
Administrative expenses		(140,662)	(218,253)
<b>Operating loss</b>	<b>3</b>	(35,896)	(44,902)
Other interest receivable and similar income		920	526
Interest payable and similar charges		(16,205)	(20,600)
<b>Loss on ordinary activities before taxation</b>		(51,181)	(64,976)
Tax on loss on ordinary activities		-	-
<b>Loss on ordinary activities after taxation</b>		(51,181)	(64,976)
<b>Loss for the period</b>		(51,181)	(64,976)
Accumulated loss brought forward		(803,423)	(738,447)
<b>Accumulated loss carried forward</b>		(854,604)	(803,423)

**The notes on pages 6 to 13 form an integral part of these financial statements.**

## Denwis Limited

Balance sheet  
as at 31 December 2004

		31/12/04		31/05/04	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	4		1,310,306		1,313,163
<b>Current assets</b>					
Debtors	6	65,933		51,609	
Cash at bank and in hand		11,127		5,841	
		<u>77,060</u>		<u>57,450</u>	
<b>Creditors: amounts falling due within one year</b>	7	(1,033,709)		(952,795)	
<b>Net current liabilities</b>			(956,649)		(895,345)
<b>Total assets less current liabilities</b>			353,657		417,818
<b>Creditors: amounts falling due after more than one year</b>	8		(309,068)		(322,048)
<b>Net assets</b>			<u>44,589</u>		<u>95,770</u>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Revaluation reserve	10		899,191		899,191
Profit and loss account	10		(854,604)		(803,423)
<b>Shareholders' funds</b>			<u>44,589</u>		<u>95,770</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 13 form an integral part of these financial statements.

**Denwis Limited**

**Balance sheet (continued)**

**Directors' statements required by Section 249B(4)  
for the period ended 31 December 2004**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31 December 2004 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 23 November 2005 and signed on its behalf by



**O J Oyston**  
**Director**

**The notes on pages 6 to 13 form an integral part of these financial statements.**



**Notes to the financial statements  
for the period ended 31 December 2004**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

**1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	- Nil
Computer equipment	- 33.3% straight line
Fixtures, fittings and equipment	- 10% straight line
Motor vehicles	- 25% straight line

In accordance with Statement of Standard Accounting Practice no 19, Accounting for Investment Properties, and the Financial Reporting Standard for Smaller Entities (effective June 2002), the land and building is held at market value. The directors are of the opinion that the property is appropriately valued in the financial statements, and the financial statements would not give a true and fair view were the asset to be depreciated. The application of these standards is a departure from the statutory requirement to depreciate assets with a finite useful economic life.

**Notes to the financial statements  
for the period ended 31 December 2004**

..... continued

**1.4. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1.5. Going concern**

As shown in the financial statements, the company made a loss of £51,181 (2004: £64,976). At the year end the company has excess of current liabilities over current assets of £956,649 (31 May 2004: £895,345). The directors have obtained loans from related parties, as detailed in note 7 to these accounts. In the opinion of the directors, the finance will be sufficient to ensure that the company can continue trading for the foreseeable future. As such, the directors consider it appropriate to prepare these financial statements on the going concern basis.

**2. Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

None of the company's turnover is attributable to geographical markets outside the UK.

**Notes to the financial statements  
for the period ended 31 December 2004**

..... continued

		Period ended 31/12/04 £	Period ended 31/05/04 £			
3.	Operating loss					
Operating loss is stated after charging:						
Depreciation and other amounts written off tangible assets		4,331	8,282			
4.	Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £	
Cost/revaluation						
At 1 June 2004		1,300,000	17,503	43,397	1,711	1,362,611
Additions		-	1,473	-	-	1,473
At 31 December 2004		1,300,000	18,976	43,397	1,711	1,364,084
Depreciation						
At 1 June 2004		-	10,645	37,518	1,284	49,447
Charge for the period		-	2,645	1,472	214	4,331
At 31 December 2004		-	13,290	38,990	1,498	53,778
Net book values						
At 31 December 2004		1,300,000	5,686	4,407	213	1,310,306
At 31 May 2004		1,300,000	6,858	5,879	427	1,313,164

On 20 September 2003, the Land and Buildings were revalued by Messrs Maurice Vandome & Associates, Chartered Surveyors. In the opinion of the directors the valuation given was the carrying value of the property at 31 December 2004.

The historic costs of the Land and Buildings held at market value is £400,809.

**Denwis Limited**

**Notes to the financial statements  
for the period ended 31 December 2004**

..... continued

5. Fixed asset investments	Subsidiary undertakings shares £	Total £
<b>Cost</b>		
At 1 June 2004	100	100
At 31 December 2004	100	100
<b>Provisions for diminution in value:</b>		
At 1 June 2004	100	100
At 31 December 2004	100	100
<b>Net book values</b>		
At 31 December 2004	-	-
At 31 May 2004	-	-

**5.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class
<b>Subsidiary undertaking</b>			
Oyston Industrial Investments Limited	England and Wales	Dormant	Ordinary £1 shares 100%

The investment of £100 relates to the company's investment in its subsidiary, Oyston Industrial Investments Limited. The company was dormant throughout the period ended 31 December 2004. The company has a deficit on capital and reserves at 31 December 2004 amounting to £327,444 (31 May 2004: £327,444).

As permitted by Section 248 on the Companies Act 1985, the accounts of this subsidiary company have not been consolidated, as the group qualifies for exemption as a small group under the above act.

**Denwis Limited**

**Notes to the financial statements  
for the period ended 31 December 2004**

..... continued

6. Debtors	31/12/04	31/05/04
	£	£
Trade debtors	63,421	39,835
Other debtors	2,052	11,314
Prepayments and accrued income	460	460
	<u>65,933</u>	<u>51,609</u>

Included in trade debtors are the following amounts due from connected parties. The companies were invoiced at arms length in the course of the company's normal trading activities. The amounts are interest free and unsecured.

	31/12/04	31/05/04
	£	£
The Blackpool Football Club Limited	1,782	1,680
Oyston Estates Limited	11,186	11,186
Natfarm Limited	7,510	7,510
Oyston Steel Estates Limited	450	1,883

Notes to the financial statements  
for the period ended 31 December 2004

..... continued

7. Creditors: amounts falling due within one year	31/12/04 £	31/05/04 £
Bank overdraft	40,889	6,489
Bank loan	45,153	45,153
Payments received on account	12,865	13,265
Trade creditors	18,947	22,991
Amounts owed to group undertaking	31,014	31,014
Other taxes and social security costs	18,523	7,978
Directors' accounts	851,058	722,505
Other creditors	12,760	101,900
Accruals and deferred income	2,500	1,500
	<u>1,033,709</u>	<u>952,795</u>

The bank loan is secured by way of a legal charge over the land and buildings, by the HSBC Bank Plc dated 26 October 2000, and a debenture dated 9 December 1998 (see note 8). At 31 December 2004 HSBC Bank Plc held the benefit of an unlimited multilateral company guarantee dated 28 April 2000 between Denwis Limited, Classlodge Limited, Claughton Hall (Bisons) Limited, Natfarm Limited, Archant Life (North) Plc and Oyston Estates Limited.

Director's accounts include £594,406 (31 May 2004: £465,853) owed to the director and shareholder Mr O J Oyston and £256,652 (31 May 2004: £256,652) owed to Zabaxe Limited, a company owned and controlled by the director Mr O J Oyston. The loans are free of interest, unsecured and repayable on demand. The maximum balances due to Mr Oyston and Zabaxe Limited were £813,187 and £256,652 respectively.

Included in trade creditors are the following amounts due from connected parties. The company made purchases on an arms length basis in the course of its normal trading activities. The amounts are interest free and unsecured.

	31/12/04 £	31/05/04 £
The Blackpool Football Club Limited	-	1,359

Other creditors includes £3,591 (31 May 2004: £8,405) owed to Mrs V Oyston. Mrs V Oyston is the wife of the director Mr O J Oyston. The maximum balance owed to Mrs V Oyston during the year was £8,405.

## Denwis Limited

Notes to the financial statements  
for the period ended 31 December 2004

..... continued

Also included in other creditors is £7,769 owed to Natfarm Limited (31 May 2004: £4,955). Natfarm Limited is a company owned and controlled by the director Mr O J Oyston. The maximum balance owed to Natfarm Limited during the period was £7,769. The amount is interest free and repayable on demand.

Other creditors also includes £1,120 owed to Oyston Estates Limited (31 May 2004: nil). Oyston Estates Limited is a company owned and controlled by the director Mr O J Oyston. The maximum balance owed to Oyston Estates Limited during the year was £1,120.

8.	Creditors: amounts falling due after more than one year	31/12/04	31/05/04
		£	£
	Bank loan	<u>309,068</u>	<u>322,048</u>
	See note 7 for details of bank loan.		
9.	Share capital	31/12/04	31/05/04
		£	£
	<b>Authorised</b>		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<b>Allotted, called up and fully paid</b>		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
10.	Reserves	Revaluation reserve	Profit and loss account
		£	£
	At 1 June 2004	899,191	(803,423)
	Loss for the period		(51,181)
	At 31 December 2004	<u>899,191</u>	<u>(854,604)</u>
			<u>44,587</u>

**Notes to the financial statements  
for the period ended 31 December 2004**

..... continued

**11. Ultimate parent undertaking**

In the opinion of the directors, the ultimate controlling party is Mr O J Oyston.