

DAMAC BULK HANDLING LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2021



ArmstrongWatson®
Accountants, Business & Financial Advisers

DAMAC BULK HANDLING LIMITED
REGISTERED NUMBER: 02028013

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	1,721,324	1,426,574
		<u>1,721,324</u>	<u>1,426,574</u>
Current assets			
Debtors: amounts falling due within one year	6	343,277	324,950
Cash at bank and in hand	7	58,138	6,590
		<u>401,415</u>	<u>331,540</u>
Creditors: amounts falling due within one year	8	(698,192)	(1,228,335)
Net current liabilities		<u>(296,777)</u>	<u>(896,795)</u>
Total assets less current liabilities		<u>1,424,547</u>	<u>529,779</u>
Creditors: amounts falling due after more than one year	9	-	(99,405)
Provisions for liabilities			
Deferred tax	11	(296,409)	(152,000)
		<u>(296,409)</u>	<u>(152,000)</u>
Net assets		<u><u>1,128,138</u></u>	<u><u>278,374</u></u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		1,127,138	277,374
		<u><u>1,128,138</u></u>	<u><u>278,374</u></u>

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C Plaskitt

Director

Date: 14.9.22

The notes on pages 2 to 10 form part of these financial statements.

DAMAC BULK HANDLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The company is tax resident in the United Kingdom. The company operates from its registered office of Mariner Street, Goole, East Yorkshire, DN14 5BW.

The principal activity of the Company was that of the operation of silo storage facilities.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis.

In reaching this conclusion, the directors have considered the current and future availability of cash and current and future trading, for a period of 12 months from the date of signing off these accounts.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

DAMAC BULK HANDLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

DAMAC BULK HANDLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Silos	- 15 years
Plant and equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

DAMAC BULK HANDLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgments and estimates 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.

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

The directors consider the key accounting estimates to be the useful life of assets and provision for trade debtors. The useful lives of assets are reviewed on a regular basis by the directors. Provisions for trade debtors are reviewed by the directors on ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements.

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2020 - 5).

DAMAC BULK HANDLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

	Assets under construction £	Plant and machinery £	Silos £	Total £
Cost or valuation				
At 1 January 2021	-	660,518	2,237,394	2,897,912
Additions	390,806	40,900	-	431,706
Disposals	-	(551,282)	-	(551,282)
At 31 December 2021	<u>390,806</u>	<u>150,136</u>	<u>2,237,394</u>	<u>2,778,336</u>
Depreciation				
At 1 January 2021	-	651,543	819,794	1,471,337
Charge for the year on owned assets	-	3,142	127,982	131,124
Disposals	-	(545,449)	-	(545,449)
At 31 December 2021	<u>-</u>	<u>109,236</u>	<u>947,776</u>	<u>1,057,012</u>
Net book value				
At 31 December 2021	<u>390,806</u>	<u>40,900</u>	<u>1,289,618</u>	<u>1,721,324</u>
At 31 December 2020	<u>-</u>	<u>8,974</u>	<u>1,417,600</u>	<u>1,426,574</u>

DAMAC BULK HANDLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	2021 £	2020 £
Trade debtors	271,470	253,066
Amounts owed by group undertakings	-	9,240
Other debtors	1,017	-
Prepayments and accrued income	70,790	62,644
	<u>343,277</u>	<u>324,950</u>

Amounts owned by group undertaking are repayable on demand with no interest accrued on amounts due.

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	58,138	6,590
Less: bank overdrafts	-	(128,120)
	<u>58,138</u>	<u>(121,530)</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	128,120
Trade creditors	52,819	53,728
Amounts owed to group undertakings	404,261	600,000
Corporation tax	7,677	148,999
Other taxation and social security	36,916	69,009
Obligations under finance lease and hire purchase contracts	100,000	200,595
Other creditors	26,594	25,859
Accruals and deferred income	69,925	2,025
	<u>698,192</u>	<u>1,228,335</u>

Obligations under finance lease and hire purchase contracts and bank overdrafts are secured by the company.

Amounts owned to group undertaking are repayable on demand with no interest accrued on amounts due.

DAMAC BULK HANDLING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	-	99,405
	<u>-</u>	<u>99,405</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	100,000	200,595
Between 1-5 years	-	99,405
	<u>100,000</u>	<u>300,000</u>

11. Deferred taxation

	2021 £	2020 £
At beginning of year	152,000	152,000
Charged to profit or loss	144,409	-
At end of year	<u>296,409</u>	<u>152,000</u>

The deferred tax balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	296,409	152,000
	<u>296,409</u>	<u>152,000</u>
Comprising:		
Liability	(296,409)	(152,000)
	<u>(296,409)</u>	<u>(152,000)</u>

DAMAC BULK HANDLING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to fund and amounted to £1,140 (2020 - £1,059). Contributions totaling £14 (2020 - £42) were payable to the fund at the reporting date and are included in creditors.

14. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	77,292	35,100
Later than 1 year and not later than 5 years	323,300	140,400
Later than 5 years	1,235,854	280,800
	<u>1,636,446</u>	<u>456,300</u>

15. Other financial commitments

There are unlimited cross guarantees and a right of group set off between the companies owned and controlled by Damac Group Limited in favour of HSBC Bank plc. At the year end were outstanding borrowings after group set off amounting to £nil (2020 - £nil).

16. Related party transactions

There was a management charge of £20,000 (2020 - £20,000) paid to Leemack Limited, which is under common ownership of L Mackrill.

There was a management charge of £20,000 (2020 - £20,000) paid to Willem Investments Limited, which is under common directorship of C Plaskitt.

There was a management charge of £nil (2020 - £25,000) paid to Damac Estates Limited, which is under common ownership of L Mackrill and C Plaskitt.

The company has taken advantage of the exemption contained in Section 33 of the FRS 102 'Related Party Disclosures' from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Controlling party

The ultimate parent company is Damac Group Limited, which operates from the registered office, Mariner Street, Goole, East Yorkshire, DN14 5BW.

The financial statements of Damac Group Limited are available from Companies House.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 14.9.22 by Matthew Osbourne (Senior Statutory Auditor) on behalf of Armstrong Watson Audit Limited.