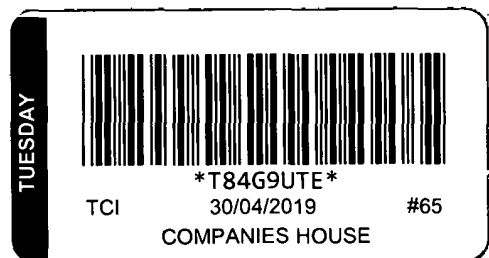


Company Registration No. 02946819 (England and Wales)

DEANESTOR LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018



DEANESTOR LIMITED

COMPANY INFORMATION

Directors	J A M E Stephens P Waring P S Calzetti R Tonkinson S Clark W Tonkinson F Richards
Secretary	F Richards
Company number	02946819
Registered office	Warren Way Crown Farm Business Park Mansfield Nottinghamshire NG19 0FL
Auditor	RSM UK Audit LLP Chartered Accountants 7th Floor City Gate East Tollhouse Hill Nottingham NG1 5FS

DEANESTOR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

The principal activity of the group during the period was the manufacture, distribution and installation of specialist furniture.

2018 saw a rise in sales to £16.3m compared to £14.45m in the previous year to 31 December 2017 and an increase in pre-tax profits from a loss of £0.4m for the prior year to a profit of £0.6m. This was due to our continued success in the Student and Healthcare sectors while also making further inroads into the Education and Kitchen markets.

It is anticipated that the current activity we are seeing in our market place will bring further benefits and increased growth in forthcoming periods.

Deanestor are embarking on a number of operational initiatives which we expect to further improve margins in the coming years.

The Directors believe that the company is well placed to take full advantage of a record order book and improved manufacturing facilities in ensuring 2019 is a further prosperous year.

The key financial highlights for the current and comparative year are as follows:

	2018 Year	2017 Year
Turnover	£16,315,593	£14,462,204
Gross Profit	£5,216,637	£4,633,744
Gross Profit %	31.97%	32.0%
Operating (loss)/profit	£694,214	(£301,533)

Business risk

The business is affected by a number of risks and uncertainties, the principal ones amongst them are:

Contract delays

A large proportion of the group's sales relate to large healthcare and educational construction projects. As the group is one of the last trades on site, it can be affected by significant delays. It minimises the impact by only producing the goods required when delivery dates are confirmed.

Subcontractor status

The majority of the group's business is undertaken as a subcontractor. Each contract is reviewed by a suitably qualified person in detail so that any risks are known and controlled.

The group is focused on building relationships with all major contractors working in healthcare and education sectors. Within its production facilities the aim is to have a flexible workforce that can react to differing levels of demand whilst improving health and safety. Installation is carried out primarily by its own employees so as to provide an effective service.

DEANESTOR LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial risk

Price risk, credit risk, liquidity risk and cash flow risk

The business's principal financial instruments comprise bank balances, invoice discounting facility, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business's operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of an invoice discounting facility and floating rates of interest. All of the business's cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of the money market facility when funds are available.

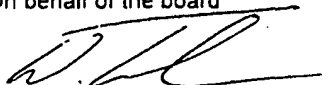
Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the statement of financial position are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans come from financial institutions. The interest rates are at 1.8% above bank base rate and monthly repayments are fixed. The business manages the liquidity risk by ensuring that there are sufficient funds to meet these payments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the repayments.

On behalf of the board



W Tonkinson

Director

Date: 26/4/19

DEANESTOR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company and group continued to be that of the manufacture, distribution and installation of specialist furniture.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J A M E Stephens

P Waring

P S Calzetti

R Tonkinson

S Clark

W Tonkinson

F Richards

(Appointed 19 November 2018)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a fair review of its business, its principal risks and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



W Tonkinson

Director

Date: 26/04/19

DEANESTOR LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK 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 group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 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 DEANESTOR LIMITED

Opinion

We have audited the financial statements of Deanestor Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEANESTOR LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

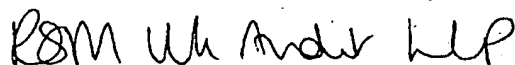
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kelly Boorman FCCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

7th Floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS
29/04/19

DEANESTOR LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	16,315,593	14,462,204
Cost of sales		(11,098,956)	(9,828,460)
Gross profit		5,216,637	4,633,744
Administrative expenses		(4,522,423)	(4,935,277)
Operating profit/(loss)	6	694,214	(301,533)
Interest receivable and similar income	8	15	-
Interest payable and similar expenses	9	(127,301)	(90,099)
Profit/(loss) before taxation		566,928	(391,632)
Tax on profit/(loss)	10	(71,112)	(4,331)
Profit/(loss) for the financial year		495,816	(395,963)


Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

DEANESTOR LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	11	365,284		298,944	
Tangible assets	12	2,762,701		2,917,421	
		<u>3,127,985</u>		<u>3,216,365</u>	
Current assets					
Stocks	15	1,041,716		857,575	
Debtors	16	3,874,136		4,110,988	
Cash at bank and in hand		349,123		129,992	
		<u>5,264,975</u>		<u>5,098,555</u>	
Creditors: amounts falling due within one year	17	<u>(4,411,330)</u>		<u>(4,668,405)</u>	
Net current assets		<u>853,645</u>		<u>430,150</u>	
Total assets less current liabilities		<u>3,981,630</u>		<u>3,646,515</u>	
Creditors: amounts falling due after more than one year	18	(1,471,929)		(1,697,920)	
Provisions for liabilities	22	(239,562)		(174,272)	
Net assets		<u>2,270,139</u>		<u>1,774,323</u>	
Capital and reserves					
Called up share capital	24	943,960		943,960	
Revaluation reserve		564,820		564,820	
Capital redemption reserve		71,355		71,355	
Profit and loss reserves		690,004		194,188	
Total equity		<u>2,270,139</u>		<u>1,774,323</u>	

The financial statements were approved by the board of directors and authorised for issue on 26/04/19 and are signed on its behalf by:



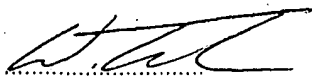
W Tonkinson
Director

DEANESTOR LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	11	365,284		298,944	
Tangible assets	12	2,752,663		2,900,751	
Investments	13	101		101	
		<u>3,118,048</u>		<u>3,199,796</u>	
Current assets					
Stocks	15	1,041,716		857,575	
Debtors	16	4,342,513		4,349,238	
Cash at bank and in hand		348,365		129,303	
		<u>5,732,594</u>		<u>5,336,116</u>	
Creditors: amounts falling due within one year	17	<u>(4,351,443)</u>		<u>(4,525,493)</u>	
Net current assets		<u>1,381,151</u>		<u>810,623</u>	
Total assets less current liabilities		<u>4,499,199</u>		<u>4,010,419</u>	
Creditors: amounts falling due after more than one year	18	(1,471,929)		(1,697,920)	
Provisions for liabilities	22	(239,562)		(174,272)	
Net assets		<u>2,787,708</u>		<u>2,138,227</u>	
Capital and reserves					
Called up share capital	24	943,960		943,960	
Revaluation reserve		564,820		564,820	
Capital redemption reserve		71,355		71,355	
Profit and loss reserves		1,207,573		558,092	
Total equity		<u>2,787,708</u>		<u>2,138,227</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £649,481 (2017 - £147,915 loss).

The financial statements were approved by the board of directors and authorised for issue on 26/04/19 and are signed on its behalf by:



W Tonkinson
Director

DEANESTOR LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017	943,960	564,820	71,355	590,151	2,170,286
Year ended 31 December 2017:					
Loss and total comprehensive income for the year	-	-	-	(395,963)	(395,963)
Balance at 31 December 2017	943,960	564,820	71,355	194,188	1,774,323
Year ended 31 December 2018:					
Profit and total comprehensive income for the year	-	-	-	495,816	495,816
Balance at 31 December 2018	943,960	564,820	71,355	690,004	2,270,139

DEANESTOR LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017	943,960	564,820	71,355	706,007	2,286,142
Year ended 31 December 2017:					
Loss and total comprehensive income for the year	-	-	-	(147,915)	(147,915)
Balance at 31 December 2017	943,960	564,820	71,355	558,092	2,138,227
Year ended 31 December 2018:					
Profit and total comprehensive income for the year	-	-	-	649,481	649,481
Balance at 31 December 2018	943,960	564,820	71,355	1,207,573	2,787,708

DEANESTOR LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	26	759,680		131,600	
Interest received		15		-	
Income taxes refunded/(paid)		18,643		(30,294)	
Net cash inflow from operating activities		<u>778,338</u>		<u>101,306</u>	
Investing activities					
Purchase of intangible assets		(66,340)		(142,679)	
Purchase of tangible fixed assets		(159,109)		(299,209)	
Proceeds on disposal of tangible fixed assets		46,512		12,250	
Net cash used in investing activities		<u>(178,937)</u>		<u>(429,638)</u>	
Financing activities					
(Repayment)/proceeds from invoice discounting arrangement		(54,672)		18,555	
Proceeds of new bank loans		-		200,000	
Repayment of bank loans		(127,515)		(176,713)	
Grants received		-		170,000	
Advances from directors and owners		75,000		650,000	
Payment of finance leases obligations		(145,782)		(313,990)	
Interest paid		(127,301)		(90,099)	
Net cash (used in)/generated from financing activities		<u>(380,270)</u>		<u>457,753</u>	
Net increase in cash and cash equivalents		<u>219,131</u>		<u>129,421</u>	
Cash and cash equivalents at beginning of year		129,992		571	
Cash and cash equivalents at end of year		<u><u>349,123</u></u>		<u><u>129,992</u></u>	