

Registered Number 02997333

Danieli UK Holding Limited
Annual Report
For the year ended 30 June 2015

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Danieli UK Holding Limited
Annual Report
for the year ended 30 June 2015
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Danieli UK Holding Limited

Directors and advisers

Directors

A P Betts – Chairman

G Ximeris – Commercial

J Allen – Recycling

Company Secretary

P J Jordan

Registered office

722 Prince of Wales Road

Sheffield

S9 4EU

Independent auditors

Hart Shaw LLP

Europa Link

Sheffield Business Park

Sheffield

S9 1XU

Solicitors

Ward Hadaway

Sandgate House

102 Quayside

Newcastle upon Tyne

NE1 3DX

Bankers

Barclays Bank plc

Sheffield Branch

2 Arena Square

Sheffield

S9 2LF

Danieli UK Holding Limited

Directors' report for the year ended 30 June 2015

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2015.

Principal activities

Danieli UK Holding Limited ("the Company") provides the sales, marketing, engineering and supply of continuous casting products, scrap metal processing equipment and other allied products and technologies to a wide variety of customers within the metals and scrap processing industries.

Matters required to be disclosed under Sch 7 of the Companies Act 2006 have been excluded from the Director's report. They are set out in the Strategic report which follows this report, in accordance with s414c(11) of the Companies Act 2006.

Results and dividends

The trading results of the Company are set out in the profit and loss account on page 8.

The directors have not recommended a dividend in respect of the year ended 30/06/2015 (2014 Nil).

Directors

The following directors have held office since July 2014:

A P Betts	
T A Christian	Resigned 30 th June 2015
G Ximeris	
J Allen	Appointed 24 th June 2015

Directors' interests in contracts

None of the directors has any interest, direct or indirect, in any significant contract or arrangement in relation to the business of the Company.

Statement of directors' responsibilities

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

Danieli UK Holding Limited

Directors' report for the year ended 30 June 2015 (continued)

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

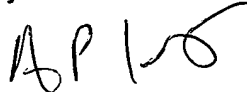
Auditors

The auditors, Hart Shaw LLP, were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are 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 company's auditors are aware of that information.

By Order of the Board



A P Betts
Director

Dated: 27 August 2015

Danieli UK Holding Limited

Strategic report for the year ended 30 June 2015

Review of business

The results for the company for the year ending 30 June 2015 showed revenues of £11.4 million and a pre-tax loss of £1.8 million (compared to revenues of £22.4 million with a pre-tax loss of £0.2 million for the previous year ended 30th June 2014).

The revenues of the company decreased significantly in the year with the Company recording a 49% decrease in revenues year on year. This decrease is largely as a result of contractions in the investments planned by scrap metal processors utilizing shredder plants in the wake of a major reduction in the price of scrap traded on the commodity markets.

The orders secured from Novelis are now well advanced in terms of completion and will complete final acceptance trials fully later this calendar year. Projects for customers in Algeria and China remain under construction. Together these machines will serve as additional reference plants for the continued growth of the Danieli Centro Recycling brand.

The consolidation of activity into the scrap metal recycling sector implemented in the previous year has now been completed. Significant product development has been undertaken, ASR recovery and fluff to fuel technologies.

Since the period end there have been no significant reportable post balance sheet events. New business acquired since the period end is in line with the year to date budgetary estimation for 2016.

The company has successfully recruited new high-calibre staff during the year as part of its succession planning strategy. As part of the company's long term recruitment strategy it has recruited young people via the apprenticeship program in association with Bournemouth University and is developing its links to other Universities as part of this strategy.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the company are considered to relate to competition from international metallurgical equipment contractors, the volatility of input costs and the current market conditions the business operates within.

Key performance indicators ("KPIs")

The Company directors recognise that the management of the gross margin on its long term contracts continues to be essential to understanding, developing and enhancing the position of the business. Gross margins on such contracts are monitored on a continuous basis and reviewed by the directors. In addition working capital requirements are managed as required.

Research and development activities

Danieli UK continues to be fully committed to the Danieli Group's mission 'INNOVATION'; to invest in research and development to fortify our global leadership position in the design and supply of continuous casting products, shredding machines and other allied products and technologies.

Danieli UK Holding Limited

Strategic report for the year ended 30 June 2015 (continued)

Investments have continued for the upgrading of the Company's engineering platform such that it can improve its efficiency and effectiveness in this key area.

Charitable Activities

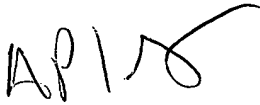
Danieli UK continues to support a variety of local charitable organisations.

Environmental matters

Consistent with policy of The Danieli Group the company has defined reference targets in order to maintain high levels of environmental protection standards. These being but not limited to;

- promoting a culture of health and environmental protection in all workers and their families;
- constantly informing and training staff on general and specific risks, on rules of behaviour and company procedures;
- making available adequate economic, technical and human resources to achieve environmental protection goals;
- promoting awareness of the importance of compliance with environmental rules by example and through systematic oversight;
- improving waste management by providing specific labelled containers and dedicated areas bearing appropriate signs and through more accurate separation of waste for disposal;

By Order of the Board



A P Betts
Director

Dated: 27 August 2015

Danieli UK Holding Limited

Independent auditor's report to the members of Danieli UK Holding Limited

We have audited the financial statements of Danieli UK Holding Limited for the year ended 30 June 2015 set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Danieli UK Holding Limited

Independent auditor's report to the members of Danieli UK Holding Limited (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



24th September 2015

Paul Dawson (Senior statutory auditor)

for and on behalf of Hart Shaw LLP, Statutory Auditor

Sheffield

Danieli UK Holding Limited

Profit and loss account for the year ended 30 June 2015

	Note	2015 £	2014 £
Turnover	1	11,392,774	22,474,980
Cost of sales		(8,562,163)	(18,395,956)
Gross profit		2,830,611	4,079,024
Selling and distribution costs		(2,521,247)	(2,791,857)
Administrative expenses		(2,417,141)	(1,761,644)
Operating loss	2	(2,107,777)	(474,477)
Net interest receivable	5	8,199	21,664
Dividend income	6	250,000	175,000
(Loss) on ordinary activities before taxation		(1,849,578)	(277,813)
Taxation	7	229,688	(77,711)
(Loss) for the financial year	18	(1,619,890)	(355,524)

The operating (loss) is derived from continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

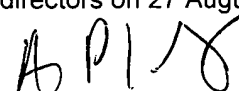
There are no recognised gains or losses other than the (losses) attributable to the shareholders of the company of (£1,619,890) in the year ended 30 June 2015 (2014: (£355,524)).

Danieli UK Holding Limited

Balance sheet as at 30 June 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	8	665,571	1,331,142
Investments	9	3,369,177	3,291,544
Tangible fixed assets	10	159,746	201,480
		4,194,494	4,824,166
Current assets			
Stock	11	826,558	333,915
Debtors			
Amounts falling due within one year	12	5,784,406	11,060,468
Amounts falling due after one year	13	-	-
Cash at bank and in hand		10,419,381	7,909,247
		17,030,345	19,303,630
Creditors: amounts falling due within one year	14	(6,791,702)	(6,407,861)
Net current assets		10,238,643	12,895,769
Creditors: amounts falling due after one year	15	(6,482,058)	(8,148,966)
Net assets		7,951,079	9,570,969
Capital and reserves			
Called up share capital	17	12,488,999	12,488,999
Profit and loss account	18	(4,537,920)	(2,918,030)
Equity shareholders' funds	19	7,951,079	9,570,969

The financial statements on pages 8 to 27 were approved and authorised for issue by the board of directors on 27 August 2015 and were signed on its behalf by:


A P Betts
 Director
 Danieli UK Holding Limited

Registered Number 02997333

Danieli UK Holding Limited

Statement of accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with applicable accounting standards in the United Kingdom. A summary of the more important policies, which have been applied consistently, are set out below.

Consolidated accounts

As a subsidiary undertaking of Danieli & C Officine Meccaniche Spa, the company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare consolidated accounts as the results for the UK companies are included in the consolidated financial statements of its parent undertaking.

Cash flow statement

As permitted by Financial Reporting Standard No.1 "Cash Flow Statements" (revised 1996), a cash flow statement has not been presented as the company's cash flows are included in the consolidated financial statements of its parent undertaking.

Goodwill

Positive goodwill is capitalised and classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of 5 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

All investments are initially recorded at cost less provision for diminution in value. The investment in subsidiaries represents the cost of the company's subsidiary undertakings. The carrying value of the investment is reviewed for impairment following the first full year of acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed assets and depreciation

Tangible fixed assets are stated at cost representing their purchase cost together with any incidental expenses of acquisition.

Depreciation is provided to write off the cost of each asset over its estimated useful economic life as follows:

Computer equipment	25% straight line
Fixtures and fittings	20% straight line
Leasehold improvements	Over the shorter of the lease term and 10 years

Assets held under finance leases are depreciated over the shorter of the lease term and the useful life of equivalent owned assets.

Where there has been a further diminution in value of any asset, this amount has been written off directly to profit and loss account.

Danieli UK Holding Limited

Statement of accounting policies (continued)

Foreign currencies

Transactions in foreign currency are translated at the rate then ruling, or, where forward cover contracts have been arranged, at the contracted rates. Assets and liabilities are translated at the rates ruling at the balance sheet date or at a contracted rate if applicable. Gains and losses on foreign currency transactions are recognised in the profit and loss account in the period they are incurred.

Operating and finance leases

Leasing agreements and hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of an asset ("finance leases") are treated as if the asset had been purchased outright. Assets held under such agreements are included in fixed assets and the capital element of commitments is shown as obligations under finance leases. Payments under such agreements are treated as consisting of capital and interest elements. The interest element is charged to the profit and loss account over the primary lease period in proportion to the reducing capital element outstanding. Costs in respect of operating leases are charged on a straight line basis over the lease term.

Pensions

The company operates a defined contribution scheme for its employees. Contributions are charged to the profit and loss account on the basis of contributions payable in the relevant accounting period.

Turnover

Turnover, excluding long term contracts, represents gross revenue, received and accrued, from the provision of services to customers recognised at the date of service provision, excluding value added tax.

Long-term contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the value appropriate to the stage of completion, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at cost incurred, less amounts transferred to the profit and loss account. Where turnover exceeds progress payments the net balance is included in debtors as amounts recoverable on contracts; where progress payments exceed turnover the net balance is included in current liabilities as payments on account.

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when the tax liabilities crystallise based on current tax rates and laws. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Research and development

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Danieli UK Holding Limited

Statement of accounting policies (continued)

Financial Instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

1 Turnover

Turnover is analysed by geographical markets as follows:

By geographical market	2015	2014
	£	£
United Kingdom	1,219,331	1,676,047
North America	612,692	244,069
South America	72,346	269,900
Asia	761,085	800,619
Europe	8,383,545	18,817,497
Africa	220,854	400,757
Australasia	122,921	266,091
	11,392,774	22,474,980

By product group	2015	2014
	£	£
Continuous casting products	1,521,927	2,725,115
Scrap metal processing equipment	8,226,460	18,125,130
Non-ferrous products	1,644,387	1,624,735
	11,392,774	22,474,980

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

2 Operating profit

	2015 £	2014 £
Operating loss is stated after charging/(crediting):		
Auditors' remuneration:		
- fees payable to company auditors for audit of annual financial statements	17,500	19,500
Depreciation of tangible fixed assets - owned	91,481	92,891
Amortisation	665,571	665,571
Operating lease rentals		
- property rentals	188,756	345,746
- vehicles	11,899	-
Loss on sale of fixed assets	-	365
Foreign exchange losses	805,040	302,113

3 Directors' emoluments

	2015 £	2014 £
Emoluments for qualifying services	110,198	236,276
Company contributions to defined contribution pension scheme	7,200	7,200
Emoluments paid to a third party for qualifying services (note 22)	94,273	48,727
	211,671	292,203

Retirement benefits are accruing for 2 (2014: 1) director under the company's defined contribution pension scheme.

The emoluments of Mr G Ximeris were paid by the ultimate parent company and he received no remuneration from this company.

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

3 Directors' emoluments (continued)

Emoluments payable to the highest paid director are as follows:

	2015 £	2014 £
Aggregate emoluments and benefits	110,198	169,292
Money purchase pension scheme: company contributions paid	-	-

There were no outstanding loans from any directors (2014: nil) during the year.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	2015 Number	2014 Number
<i>Manufacturing</i>	32	38
<i>Sales and administration</i>	38	35
	70	73

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	3,117,838	3,635,465
Social security costs	322,639	407,603
Other pension costs (Note 21)	179,790	178,542
Staff costs	3,620,267	4,221,610

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

5 Net interest receivable

	2015 £	2014 £
Interest receivable		
Bank	6,392	-
Group	20,796	36,503
Other	224,569	152,089
	251,757	188,592
Interest payable		
Bank	(47,271)	(54,227)
Group	-	(5,630)
Other	(196,287)	(107,071)
	(243,558)	(166,928)
Net interest (payable) / receivable	8,199	21,664

6 Dividends

The Company received a cash dividend of £250,000 (2014: £175,000) from its subsidiary Innoval Technology Limited on 30 April 2015. There was no further dividends receivable by the Company at the end of the financial year (2014: £nil).

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

7 Taxation

	2015	2014
	£	£
Current tax		
UK Corporation tax at 20.75% (2014: 22.5%)	-	-
Adjustments in respect of previous periods	(7,303)	-
Total current tax (charge)/credit	-	-
Deferred tax (note 16)		
Origination and reversal of timing differences	236,809	(48,896)
Changes in tax rates or laws	-	(47,551)
Adjustments in respect of prior periods	182	18,736
Tax credit / (charge) on profit on ordinary activities	229,688	(77,711)

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK at 20.75% (2014: 22.5%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	(1,849,578)	(277,813)
Profit on ordinary activities multiplied by standard rate in the UK of 20.75% (2014: 22.5%)	(383,800)	(62,512)
Effects of:		
Accelerated capital allowances	3,959	14,314
Income not taxable for tax purposes	(51,877)	(39,377)
Other permanent differences	135	205
Fixed asset differences	7,148	5,194
Expenses not deductible for tax purposes	182,696	151,501
Trading losses utilised	241,640	(67,254)
Adjustments in respect of previous periods	-	-
Other short term timing differences	99	(2,071)
Current tax charge/(credit) for the year	7,303	-

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

8 Intangible Assets

	Goodwill £
Cost	
At 1 July 2014	3,008,501
Additions	-
At 30 June 2015	3,008,501
Amortisation	
At 1 July 2014	1,677,359
Charge for the year	665,571
At 30 June 2015	2,342,930
Net book amount	
At 30 June 2015	665,571
At 30 June 2014	1,331,142

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

9 Investments

	Investments in subsidiary undertakings
	£
Cost	
At 1 July 2014	3,496,096
Disposals	(3,722)
At 30 June 2015	3,492,374
Amortisation	
At 1 July 2014	204,552
Charge in the year	(81,355)
At 30 June 2015	123,197
Net book amount	
At 30 June 2015	3,369,177
At 30 June 2014	3,291,544

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

9 Investments (continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital, are as follows:

Name of Company	Holding	Proportion of voting rights and shares held	Nature of Business
Danieli Lynxs Limited	Ordinary Shares	100%	Dormant
Danieli Lynxs Services Limited	Ordinary Shares	100%*	Dormant
Danieli Lynxs Shredder Services Limited	Ordinary Shares	100%*	Dormant
Innoval Technology Limited	Ordinary Shares	100%	Engineering
Danieli Davy Distington Limited	Ordinary Shares	100%	Dormant

* Held by a subsidiary undertaking.

The aggregate capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

Subsidiary undertakings	Capital and reserves	Profit for the period
	£	£
Danieli Lynxs Limited	100	-
Danieli Lynxs Services Limited	100	-
Danieli Lynxs Shredder Services Limited	100	-
Innoval Technology Limited	784,792	209,506
Danieli Davy Distington Limited	1	-

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

10 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 July 2014	449,517	417,944	254,882	1,122,343
Additions	-	36,493	13,254	49,747
Disposals	-	-	-	-
At 30 June 2015	449,517	454,437	268,136	1,172,090
Depreciation				
At 1 July 2014	318,541	362,718	239,604	920,863
Charge for the year	37,953	39,461	14,067	91,481
Disposals	-	-	-	-
At 30 June 2015	356,494	402,179	253,671	1,012,344
Net book amount				
At 30 June 2015	93,023	52,258	14,465	159,746
At 30 June 2014	130,976	55,226	15,278	201,480

11 Stock

	2015	2014
	£	£
Raw materials and consumables	826,558	102,202
Work in progress	-	231,713
	826,558	333,915

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

12 Debtors – amounts recoverable within one year

	2015	2014
	£	£
Trade debtors	1,737,493	4,037,694
Amounts owed by parent undertaking	1,098,300	5,437,167
Amounts owed by subsidiary undertakings	4,849	6,250
Amounts owed by fellow group undertakings	701,003	150,990
Corporation tax	3,008	7,303
Deferred tax asset (note 16)	505,105	268,114
Other debtors	640,440	719,992
Prepayments and accrued income	267,057	288,772
Advances to suppliers	827,151	144,186
	5,784,406	11,060,468

13 Debtors – amounts recoverable greater than one year

	2015	2014
	£	£
Amounts owed by subsidiary undertakings	-	-
Other debtors	-	-
	-	-

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

14 Creditors – amounts falling due within one year

	2015	2014
	£	£
Trade creditors	1,828,707	2,524,552
Payments on account	1,265,616	1,293,288
Other tax and social security	106,821	102,050
Accruals and deferred income	807,654	541,586
Deferred and contingent consideration	142,435	400,000
Promissory notes	1,643,684	754,653
Bank loan	416,668	625,000
Amounts owed to parent undertaking	432,154	143,918
Amounts owed to fellow group undertakings	147,963	22,814
	6,791,702	6,407,861

15 Creditors – amounts falling due after one year

	2015	2014
	£	£
Deferred and contingent consideration	-	263,337
Promissory notes	5,752,893	6,791,879
Bank loan	729,165	1,093,750
	6,482,058	8,148,966

Amounts falling due after more than one year comprise:

Deferred and contingent consideration

Amounts owing under sale and purchase agreements totalling £147,680 (2014: £963,337) were outstanding at the yearend relating to the acquisition of Innoval Technology Limited.

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

15 Creditors – amounts falling due after one year (continued)

Bank Loan

The company has a term loan of £1,145,833 (2014: £1,718,750) from Barclays Bank plc. The facility bears interest at 3 month LIBOR + 2% payable on a quarterly basis. This is a secured debenture.

Promissory Notes

The company has promissory notes of £7,396,577 (2014: £7,546,532) outstanding with Confirmecc Spa. The notes are repayable in full in 2019. The promissory notes bear interest at 2.32% payable annually.

16 Deferred tax asset

	Deferred Tax Asset
	£
Deferred tax at 1 July 2014	268,114
Credit / (Charge) to the profit and loss account	236,991
Deferred tax at 30 June 2015	505,105

Deferred tax asset provided and unprovided in the financial statements is as follows:

	Provided		Unprovided	
	2015	2014	2015	2014
		£	£	
Accelerated capital allowances	101,319	97,588	-	-
Losses	398,646	165,480	-	-
Short term timing differences	5,140	5,046	-	-
Deferred tax asset	505,105	268,114	-	-

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

17 Called up share capital

	2015	2014
	£	£
Authorised		
12,488,999 Ordinary shares of £1 each	12,488,999	12,488,999
Allotted, called up and fully paid		
12,488,999 Ordinary shares of £1 each	12,488,999	12,488,999
Total issued share capital	12,488,999	12,488,999

18 Reserves

	Profit and loss account
	£
At 1 July 2014	(2,918,030)
(Loss) for the financial year	(1,619,890)
At 30 June 2015	(4,537,920)

19 Reconciliation of movement in equity shareholders' funds

	2015	2014
	£	£
(Loss) for the financial year	(1,619,890)	(355,524)
Net movement in shareholders' funds	(1,619,890)	(355,524)
Opening shareholders' funds	9,570,969	9,926,493
Closing shareholders' funds	7,951,079	9,570,969

Danieli UK Holding Limited

Notes to the financial statements for the year ended 30 June 2015

20 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

				2015
	Land and buildings	Plant and machinery	Vehicles	Total
	£	£	£	£
Operating leases which expire:				
Within one year	5,100	5,457	-	10,557
In the second to the fifth years inclusive	266,650	-	13,451	280,101
	271,750	5,457	13,451	290,658

				2014
	Land and buildings	Plant and machinery	Vehicles	Total
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	-	-
In the second to the fifth years inclusive	265,145	5,507	-	270,652
	265,145	5,507	-	270,652

21 Pension scheme

The company's employees are members of a defined contribution pension scheme under which contributions are paid by the company and by employees.

The company's contributions are based on a percentage of employee earnings. The pension cost charge for the year was £179,790 (2014: £178,542). The balance sheet creditor as at the yearend was £25,704 (2014: £25,231).

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Notes to the financial statements for the year ended 30 June 2015

22 Related party disclosures

As a subsidiary undertaking of Danieli & C Officine Meccaniche Spa, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" not to disclose transactions with group companies.

23 Ultimate parent company

The company is a wholly owned subsidiary of Industrielle Beteiligung SA, a societe anonyme having its registered office at 9, Rue du Laboratoire L-1911, Luxembourg. Industrielle Beteiligung SA itself is a wholly owned subsidiary of Danieli & C Officine Meccaniche Spa a company established under the laws of the Republic of Italy, with its principal place of business at 33042 Buttrio, Udine, Italy.