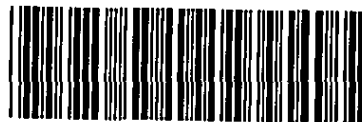


**Danieli Holdings Limited**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
for the year year ended  
30 April 2013

TUESDAY



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COMPANIES HOUSE

# Danieli Holdings Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

N A Winch  
S W Howe

### SECRETARY

N A Winch

### REGISTERED OFFICE

Patrick House  
Gosforth Park Avenue  
Gosforth Business Park  
Newcastle upon Tyne  
NE12 8EG

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

### BANKERS

Lloyds TSB PLC  
Grey Street  
Newcastle upon Tyne  
NE99 1SL

# Danieli Holdings Limited

## DIRECTORS' REPORT

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The directors present their report with the financial statements of the company and the group for the year ended 30 April 2013

### PRINCIPAL ACTIVITIES

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

### RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £297,731 (2012 - £233,116) A dividend of £280,000 (2012 £300,000) was paid during the year

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

We have undertaken an analysis of the group companies' activities and performance and closing year end position. Our review has considered the market conditions prevailing, the opportunities and risks that each company has encountered during the year and we have anticipated what could occur going forward. The main trading companies are considered below

#### Phoenix Eye Limited

The principal activity of the company has been, and will be continue to be the supply of door supervisors, security guards, stadium security and closed circuit television installation, maintenance and monitoring. The emphasis will be on the development of our door supervision expansion into southern parts of the UK, as well as the migration of sites with a physical guard to a monitored CCTV rental system

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

	2013	2012
	£	£
Sales	8,890,272	8,290,787
Gross profit	2,237,604	2,038,689
Net profit/(loss) before tax (excluding management charges)	766,909	699,148

Sales during the financial year have increased by 7% which the directors are satisfied with

There is a slight increase in gross margin from 24.59% to 25.2% which has been achieved through a streamlined management structure introduced in the prior year

The net profit margin has remained consistent and in line with expectation. Excluding the management charge the profit ratio has increased from 8.4% to 8.6%

The financial year ahead is expected to show further increase sales due to our continued expansion into other parts of the UK. The gross profit margin will be retained and the net profit will be in line with expectations

# Danieli Holdings Limited

## DIRECTORS' REPORT

---

### Northridge Healthcare Limited

The principal activity of the company is to provide state of the art respite and residential nursing care for adults with complex healthcare needs

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

	2013	2012
	£	£
Sales	925,606	394,158
Gross profit	390,591	123,100
Net profit/(loss)	196,787	(6,530)

Although performance has improved results are behind expectations due to water ingress at the property This has been rectified by the contractor and is subject to a loss of earnings claim

The expectation for the coming financial year will be to increase occupancy and continue to trade profitably following rectification of the home

### Education and Training Services (UK) Limited

The principal activity of the company has been, and will continue to be, the delivery of training programmes within the security sector The company is expected to deliver a pilot scheme to the NHS in the coming year and it is hoped that this will lead to further contracts

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

	2013	2012
	£	£
Sales	14,220	177,159
Gross profit	13,621	142,801
Net profit/(loss)	599	(31,019)

### Student Accommodation (UK) Limited

The accommodation has been completed during the year and a contract agreed with Newcastle University for letting the property

### Danieli Property Investments Limited

The principal activity of the company has been, and will continue to be the purchase and development of freehold properties Not as a developer in the true sense of the word but as a developer operator in whatever sector fits

### DIRECTORS

The directors who served the company during the year were as follows

N A Winch  
S W Howe

# Danieli Holdings Limited

## DIRECTORS' REPORT

---

### DONATIONS

During the year the company made the following contributions

	2013	2012
	£	£
Charitable donations	<u>3,432</u>	<u>-</u>

### EMPLOYEE INVOLVEMENT

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group and the company. This is achieved through formal and informal meetings where employee representatives are consulted on a wide range of matters affecting their current and future interests.

### DISABLED PERSONS

The group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

During employment the group seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

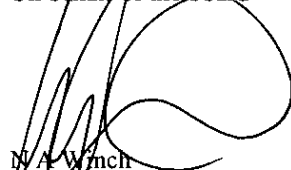
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP were appointed auditor on 9 October 2013.

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board



N.A. Winch  
Director

13 January 2014

# Danieli Holdings Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 group and the company and of the profit or loss of the group for that year.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF DANIELI HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 24. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

## Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

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

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



STEVEN RAILTON (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

15 January 2014

# Danieli Holdings Limited

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2013

	Notes	2013 £	2012 £
TURNOVER	2	9,906,994	8,870,981
Cost of sales		(7,220,120)	(6,563,286)
Gross profit		<u>2,686,874</u>	<u>2,307,695</u>
Administrative expenses		(2,527,548)	(1,952,308)
Other operating income	3	367,308	-
OPERATING PROFIT	4	<u>526,634</u>	<u>355,387</u>
Interest receivable and similar income		183	6,184
Interest payable and similar charges	6	(124,029)	(84,980)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>402,788</u>	<u>276,591</u>
Taxation	9	(120,644)	(49,285)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>282,144</u>	<u>227,306</u>
Minority interest		15,587	(5,810)
PROFIT FOR THE FINANCIAL YEAR	20	<u><u>297,731</u></u>	<u><u>233,116</u></u>

Turnover and Operating Profit are derived from the Group's continuing operations

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

A note of historical cost profits and losses has not been presented as there is no material difference between the profit reported above and the historical cost profit



# Daniehi Holdings Limited

## CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 April 2013

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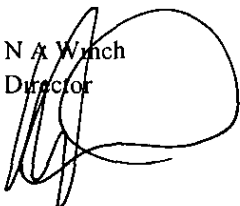
	2013 £	2012 £
Profit for the financial year	297,731	233,116
Unrealised surplus / (reversal of unrealised surplus) on revaluation of properties	<u>1,494,661</u>	<u>(255,608)</u>
Total recognised gains and losses since the last financial statements	<u>1,792,392</u>	<u>(22,492)</u>

**Danieli Holdings Limited**  
**CONSOLIDATED BALANCE SHEET**  
for the year ended 30 April 2013

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Intangible assets	10	834,580	892,631
Tangible assets	11	3,153,856	4,740,538
Investment properties	12	6,257,257	145,000
		<u>10,245,693</u>	<u>5,778,169</u>
<b>CURRENT ASSETS</b>			
Stocks	14	50,508	45,834
Debtors	15	2,070,317	1,731,921
Cash at bank and in hand		821,619	4,248
		<u>2,942,444</u>	<u>1,782,003</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(5,071,008)	(4,830,248)
<b>NET CURRENT LIABILITIES</b>		<u>(2,128,564)</u>	<u>(3,048,245)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8 117 129	2 729 924
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(4,702,069)	(835,691)
<b>PROVISIONS FOR LIABILITIES</b>	18	(64,937)	(40,915)
<b>MINORITY INTERESTS</b>	25	(107,892)	(123,479)
		<u>3,242,231</u>	<u>1,729,839</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000	1000
Revaluation reserve	20	1,494,661	-
Profit and loss account	20	1,746,570	1,728,839
<b>SHAREHOLDERS' FUNDS</b>	21	<u>3,242,231</u>	<u>1,729,839</u>

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 13 January 2014 and are signed on its behalf by

N A Which  
Director



# Danieli Holdings Limited

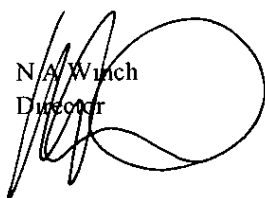
## COMPANY BALANCE SHEET

for the year ended 30 April 2013

	Notes	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	11	206,107	76,207
Investments	13	1,110,123	1,110,123
		<u>1,316,230</u>	<u>1,186,330</u>
<b>CURRENT ASSETS</b>			
Debtors	15	3,176,017	2,765,875
Cash at bank and in hand		810,019	35
		<u>3,986,036</u>	<u>2,765,910</u>
<b>CREDITORS</b>			
Amounts falling due within one year	16	(2,807,538)	(2,722,636)
		<u>1,178,498</u>	<u>43,274</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,494,728</u>	<u>1,229,604</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(846,415)	(17,008)
		<u>1,648,313</u>	<u>1,212,596</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000	1,000
Profit and loss account	20	1,647,313	1,211,596
		<u>1,648,313</u>	<u>1,212,596</u>
<b>SHAREHOLDERS' FUNDS</b>			
	21	<u>1,648,313</u>	<u>1,212,596</u>

The financial statements on pages 6 to 24 were approved by the board of directors and authorised for issue on 13 January 2014 and are signed on its behalf by

N.A. Winch  
Director



**Danieli Holdings Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 30 April 2013

---

	<i>Notes</i>	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	816,695	433,028
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(123,846)	(78,796)
TAXATION	22	(9,630)	21,225
CAPITAL EXPENDITURE	22	(2,887,053)	(2,737,136)
EQUITY DIVIDENDS PAID		(280,000)	(300,000)
		<u>          </u>	<u>          </u>
CASH OUTFLOW BEFORE FINANCING		(2,483,834)	(2,661,679)
FINANCING	22	3,164,168	751,980
		<u>          </u>	<u>          </u>
INCREASE/(DECREASE) IN CASH FOR THE YEAR		<u>680,334</u>	<u>(1,909,699)</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

---

### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

#### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Danieli Holdings Limited and all of its subsidiary undertakings. The results of subsidiaries acquired were consolidated for the period from which control passed. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment.

All financial statements are made up to 30 April 2013.

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

No profit and loss account for Danieli Holdings Limited has been presented as permitted by Section 408 of the Companies Act 2006.

#### GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The directors have noted the recent performance trends and the continued support of the group's major funders and related undertakings, which gives them confidence that the group will continue to be profitable, and will continue to meet its liabilities as they fall due.

The directors have prepared forecasts, which show the group's operating cash flows to be sufficient to fund the group's existing working capital requirements. Consequently the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### TURNOVER

Turnover represents the amounts (excluding value added tax) receivable for goods and services provided in the normal course of business during the year. The turnover of the group is derived from its principal activities carried out in the United Kingdom.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

---

### 1 ACCOUNTING POLICIES *(continued)*

#### GOODWILL

Purchased goodwill is amortised by equal annual instalments over its estimated useful life of 5 or 10 years

Goodwill arising on consolidation is the excess of purchase consideration over fair value of the assets of the companies acquired. In the consolidated accounts the amount of goodwill is capitalised and amortised over 20 years, which, in the opinion of the directors, is the period the company will derive the economic benefit from this goodwill.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Assets under construction are not depreciated. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its useful life, as follows:

CCTV Equipment	- 25% reducing balance and 15% straight line
Plant & Machinery	- 25% straight line, 25% reducing balance, 20% reducing balance and 10% straight line
Fixtures & fittings	- 25% straight line, 20% reducing balance, 15% reducing balance and 10% straight line
Motor vehicles	- 25% straight line, 25% reducing balance and 20% reducing balance
Office equipment	- 25% straight line, 25% reducing balance, 20% straight line and 20% straight line

No depreciation is provided on freehold and long leasehold property as the group follows a programme of regular maintenance of property to maintain it to such a high standard that in the opinion of the directors, the residual value would be sufficiently high to make any depreciation charge in the current year or prior year immaterial. All repairs and permanent diminution in value are charged to the profit and loss account.

#### INVESTMENT PROPERTIES

Investment properties are revalued annually.

Surpluses or deficits on individual properties are transferred to the revaluation reserve except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited, where a deficit is reversed) to the profit and loss account for the year.

In the opinion of the directors the current market value of the investment property approximates to its carrying value in the financial statements.

Depreciation is not provided on investment properties, in accordance with Statement of Standard Accounting Practice No 19. The directors consider that this accounting policy, which represents a departure from the requirements of the Companies Act 2006 concerning depreciation of fixed assets, is necessary to provide a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

---

### 1 ACCOUNTING POLICIES *(continued)*

#### INVESTMENTS

Fixed asset investments are stated at cost

Provision is made for any impairment in the value of fixed asset investments

#### CAPITALISATION OF INTEREST

Interest directly attributable to the construction of tangible fixed assets, incurred up to the time that identifiable major capital projects are ready for service, is capitalised as part of the cost of the assets

#### STOCK

Stock is valued at the lower of cost and net realisable value

#### LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce constant rates of charge on the net obligations outstanding in each year.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the year of the lease.

#### 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### BANK BORROWINGS

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement on redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

#### FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

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### 2 TURNOVER

The total turnover of the group for the year has been derived from its principal activities wholly undertaken in the UK as follows

	2013	2012
	£	£
Security services	8,890,272	8,290,787
Training services	11,420	177,159
Wheel clamping	-	8,877
Respite care services	723,067	394,158
Student accomodation	274,148	-
Residential accomodation	8,087	-
	<u>9,906,994</u>	<u>8,870,981</u>

### 3 OTHER OPERATING INCOME

Other operating income relates to compensation for consequential losses and rent receiveable

### 4 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Hire of plant and machinery	-	51,860
Other operating leases	28,113	777,656
Depreciation of owned assets	200,613	119,131
Depreciation of assets held under hire purchase agreements	57,186	93,961
Profit/(loss) on disposal of fixed assets	(26,736)	(7,111)
Amortisation of intangible assets	58,051	58,051
Auditors' remuneration	16,000	16,360
Auditors' remuneration for non audit work	4,000	23,107
Depreciation written back	-	(12,826)
	<u></u>	<u></u>

### 5 DIRECTOR'S REMUNERATION

	2013	2012
	£	£
Directors' remuneration	<u>12,000</u>	<u>51,161</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	14,283	5,030
Bank loan interest	34,379	31,148
Factoring interest	26,959	25,270
Hire purchase interest	47,767	23,532
Interest on other loans	641	-
	<u>124,029</u>	<u>84,980</u>



# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 7 PARTICULARS OF EMPLOYEES

The average number of full time and part time persons employed by the group (including directors) during the year, analysed by category, was as follows

	2013	2012
	No	No
Site	849	950
Administration	17	20
	<u>866</u>	<u>970</u>

The aggregate payroll costs of these persons were as follows

	2013	2012
	£	£
Wages and salaries	7,465,495	7,064,827
Social security costs	358,464	278,151
	<u>7,823,959</u>	<u>7,342,978</u>

### 8 DIVIDENDS

Equity dividends

	2013	2012
	£	£
Dividends on equity shares	<u>280,000</u>	<u>300,000</u>

### 9 TAXATION

Analysis of charge in the year

	2013	2012
	£	£
Current tax		
UK Corporation tax based on the results for the year at 23.92% (2012 - 26%)	124,121	37,126
(Over)/under provision in prior year	(27,499)	-
Total current tax	<u>96,622</u>	<u>37,126</u>
Deferred tax		
Origination and reversal of timing differences	24,022	12,159
Tax on profit on ordinary activities	<u>120,644</u>	<u>49,285</u>
	£	£
Profit on ordinary activities before taxation	<u>402,788</u>	<u>276,591</u>
Profit on ordinary activities by rate of tax	96,347	71,914
Expenses not deductible for tax purposes	30,879	14,919
Capital allowances in excess of depreciation	(70)	(13,425)
Utilisation of tax losses	(1,406)	(47,896)
Goodwill written off not allowable for tax relief	-	14,053
Assessed at lower rate of tax	-	(1,831)
Marginal rate tax relief	(1,629)	(608)
Over provision in prior year	(27,499)	-
Tax on profit on ordinary activities	<u>96,622</u>	<u>37,126</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 10 INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 May 2012 and 30 April 2013	<u>1,159,063</u>
Amortisation	
At 1 May 2012	266,432
Charge for the year	<u>58,051</u>
At 30 April 2013	<u>324,483</u>
Net book value	
At 30 April 2013	<u>834,580</u>
At 30 April 2012	<u>892,631</u>

### 11 TANGIBLE FIXED ASSETS

Group	Freehold property £	Asset in course of construction £	CCTV Equipment £	Plant & machinery £
Cost				
At 1 May 2012	2,058,991	1,769,609	465,580	121,934
Additions	-	2,789,798	82,906	9,823
Disposals	-	(43,395)	-	-
Transfers	-	(4,468,620)	-	-
At 30 April 2013	<u>2,058,991</u>	<u>47,392</u>	<u>548,486</u>	<u>131,757</u>
Depreciation				
At 1 May 2012	-	-	122,708	33,905
Charge for the year	-	-	73,788	17,570
On disposals	-	-	-	-
Transfers	-	-	-	-
At 30 April 2013	<u>-</u>	<u>-</u>	<u>196,496</u>	<u>51,475</u>
Net book value				
At 30 April 2013	<u>2,058,991</u>	<u>47,392</u>	<u>351,990</u>	<u>80,282</u>
At 30 April 2012	<u>2,058,991</u>	<u>1,769,609</u>	<u>342,872</u>	<u>88,029</u>

Aggregate finance costs of £69,370 (2012 - £Nil) have been capitalised in relation to assets under construction. During the year finance costs of £69,370 (2012 - £Nil) have been capitalised.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 11 TANGIBLE FIXED ASSETS (CONTINUED)

Group	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 May 2012	339,629	342,329	50,678	5,148,750
Additions	83,293	226,338	60,942	3,253,100
Disposals	-	(174,789)	-	(218,184)
Transfers	-	-	-	(4,468,620)
At 30 April 2013	<u>422,922</u>	<u>393,878</u>	<u>111,621</u>	<u>3,715,046</u>
Depreciation				
At 1 May 2012	91,778	145,275	14,546	408,212
Charge for the year	50,532	100,991	14,918	257,799
On disposals	-	(104,821)	-	(104,821)
Transfers	-	-	-	-
At 30 April 2013	<u>142,310</u>	<u>141,445</u>	<u>29,464</u>	<u>561,190</u>
Net book value				
At 30 April 2013	<u>280,612</u>	<u>252,433</u>	<u>82,156</u>	<u>3,153,856</u>
At 30 April 2012	<u>247,851</u>	<u>197,054</u>	<u>36,132</u>	<u>4,740,538</u>

Included in the total net book value of £3,153,856 in the group is £215,076 (2012 £300,599) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £57,186 (2012 £93,961).

Company	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 May 2012	565	128,684	10,226	139,475
Additions	-	187,335	60,739	248,074
Disposals	-	(128,684)	-	(128,684)
At 30 April 2013	<u>565</u>	<u>187,335</u>	<u>70,965</u>	<u>258,865</u>
Depreciation				
At 1 May 2012	200	58,980	4,088	63,268
Charge for the year	141	55,118	8,911	64,170
On disposals	-	(74,680)	-	(74,680)
At 30 April 2013	<u>341</u>	<u>39,418</u>	<u>12,999</u>	<u>52,758</u>
Net book value				
At 30 April 2013	<u>224</u>	<u>147,917</u>	<u>57,966</u>	<u>206,107</u>
At 30 April 2012	<u>365</u>	<u>69,704</u>	<u>6,138</u>	<u>76,207</u>

Included in the total net book value of £206,107 in the parent company is £147,917 (2012 £69,704) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged during the year on those assets totalled £39,418 (2012 £36,082).

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 12 INVESTMENT PROPERTY

Group	Total £
Valuation	
At 1 May 2012	145,000
Addition	148,976
Transfer	4,468,620
Revaluation	1,494,661
At 30 April 2013	<u>6,257,257</u>
Net book value	
At 30 April 2013	<u>6,257,257</u>
At 30 April 2012	<u>145,000</u>

In the opinion of the directors the current market value of the investment property approximates to its carrying value in the financial statements

The historical cost of the investment properties is £4,762,596 (2012 £145,000)

### 13 FIXED ASSET INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
At 1 May 2012 and 30 April 2013	<u>1,110,123</u>

The parent company and group have investments in the following subsidiary undertakings

Name of company	Country of incorporation	Nature of business	Class and percentage of shares held
Phoenix Security UK Limited	England	Security services	Ordinary, 100%
Phoenix Eye Limited	England	Security services	Ordinary, 100%
Education and Training Services (UK) Limited	England	Training services	Ordinary, 100%
Northridge Healthcare Limited	England	Respite care services	Ordinary, 100%
Danieli Property Investments Limited	England	Property investment	Ordinary, 75 19%
Student Accommodation (UK) Limited	England	Rental of student accommodation	Ordinary, 100%
Professional Parking Control Limited	England	Parking enforcement	Ordinary, 100%
Leisuretime Pub Group Limited	England	Holding company	Ordinary, 100%
Leisuretime (Freehold) Limited	England	Operation of public houses	Ordinary, 100%
Leisuretime (Leasehold) Limited	England	Operation of public houses	Ordinary, 100%
Newco (Ponteland) Limited	England	Dormant	Ordinary, 100%

The results of all the subsidiaries have been included in the consolidated accounts

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 13 FIXED ASSET INVESTMENTS (CONTINUED)

Under section 479A of the Companies Act 2006 the financial statements of the following subsidiaries are exempt from audit Leisuretime Pub Group Limited (registered number - 07052639), Leisuretime (Leasehold) Limited (registered number - 07056601) and Leisuretime (Freehold) Limited (registered number - 07056661)

### 14 STOCKS

	2013 Group £	2012 Group £
Consumables	50,508	45,834

### 15 DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	938,629	1,253,492	-	-
Amounts owed by group undertakings	-	-	2,955,227	2,737,877
Other debtors	519,605	223,221	21,800	12,440
Directors current account	176,685	-	192,518	-
Prepayments and accrued income	435,398	255,208	-	6,524
Deferred tax asset	-	-	6,472	9,034
	<u>2,070,317</u>	<u>1,731,921</u>	<u>3,176,017</u>	<u>2,765,875</u>

### 16 CREDITORS Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	692,011	1,250,253	268,798	34,785
Trade creditors	824,110	254,983	220,145	54,369
Amounts owed to group undertakings	-	-	1,965,475	1,940,313
Corporation tax	124,118	37,126	6,435	5,418
Social security and other taxes	1,474,053	1,693,935	238,502	404,514
Obligations under hire purchase agreements	199,536	136,092	52,743	36,971
Other creditors	1,356,306	1,131,851	51,440	4,215
Directors current accounts	-	239,251	-	239,251
Accruals and deferred income	400,874	86,757	4,000	2,800
	<u>5,071,008</u>	<u>4,830,248</u>	<u>2,807,538</u>	<u>2,722,636</u>

Included in other creditors are liabilities under debt factoring agreements (see note 17) Bank loans and overdrafts, debt factoring liabilities and obligations under hire purchase agreements are secured (see note 17)

### 17 CREDITORS Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	4,523,964	765,496	766,451	-
Obligations under hire purchase agreements	178,105	70,195	79,964	17,008
	<u>4,702,069</u>	<u>835,691</u>	<u>846,415</u>	<u>17,008</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 17 CREDITORS Amounts falling due after more than one year (continued)

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Analysis of bank debt				
Repayable in one year or less, or on demand	285,500	980,779	43,549	34,785
Repayable between one and two years	303,140	63,373	44,856	-
Repayable between two and five years	917,641	190,118	142,806	-
Repayable in five years or more	3,303,183	512,005	578,789	-
	<u>4,809,464</u>	<u>1,746,275</u>	<u>810,000</u>	<u>34,785</u>

#### Net obligations under finance leases and hire purchase contracts

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts payable within 1 year	199,536	136,092	52,743	36,971
Amounts payable between 2 to 5 years	178,105	70,195	79,964	17,008
	<u>377,641</u>	<u>206,287</u>	<u>132,707</u>	<u>53,979</u>

#### The following secured debts are included within creditors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank overdrafts	406,511	269,474	225,249	34,785
Bank loans	4,809,464	1,746,275	810,000	-
Debt factoring liability	1,172,444	867,895	-	-
Obligations under hire purchase agreements	377,641	206,287	132,707	53,979
	<u>6,766,060</u>	<u>3,089,931</u>	<u>1,167,956</u>	<u>88,764</u>

The bank loans relating to the company's properties are secured on those properties. Other bank loans are secured by a debenture on certain assets.

The debt factoring liability is secured by way of a debenture on certain assets.

The hire purchase liabilities are secured on the assets being financed.

The directors have also provided personal guarantees for the group's banking facilities.

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 18 PROVISIONS FOR LIABILITIES

	Deferred taxation £	Total £
<b>Group</b>		
At beginning of year	40,915	40,915
Charge for the year	24,022	9,034
At end of year	<u>64,937</u>	<u>49,949</u>

Deferred taxation is analysed over the following timing differences provided at 23% (2012 24%)

	2013 £	Provided 2012 £	2013 £	Not provided 2012 £
Accelerated capital allowances	63,382	48,059	(11,944)	(8,733)
Other timing differences	2,555	-	-	-
Tax losses available	-	(7,144)	(1,892)	(1,892)
Undiscounted provision	<u>64,937</u>	<u>40,915</u>	<u>(13,836)</u>	<u>(10,625)</u>

### 19 SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

### 20 RESERVES

	Profit and loss account £	Revaluation reserve £	Total £
<b>Group</b>			
At 1 May 2012	1,728,839	-	1,728,839
Retained profit for the year	297,731	-	297,731
Revaluation in the year	-	1,494,661	1,494,661
Dividends	(280,000)	-	(280,000)
At 30 April 2013	<u>1,746,570</u>	<u>1,494,661</u>	<u>3,241,231</u>
<b>Company</b>			
At 1 May 2012	1,211,596	-	1,211,596
Loss for the year	715,717	-	715,717
Dividends	(280,000)	-	(280,000)
At 30 April 2013	<u>1,647,313</u>	<u>-</u>	<u>1,647,313</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<b>Group</b>	2013	2012
	£	£
Profit for the year	297,731	233,116
Dividends	(280,000)	(300,000)
	<u>17,731</u>	<u>(66,884)</u>
Revaluation of fixed assets	1,494,661	(255,608)
	<u>1,512,392</u>	<u>(322,942)</u>
Net reduction in shareholders' funds	1,729,839	2,052,331
Opening shareholders' funds	<u>3,242,231</u>	<u>1,729,839</u>
Closing shareholders' funds		
<b>Company</b>	2013	2012
	£	£
Profit for the year	715,217	133,122
Dividends	(280,000)	(300,000)
	<u>435,717</u>	<u>(166,878)</u>
Net reduction in shareholders' funds	1,212,596	1,379,474
Opening shareholders' funds	<u>1,648,313</u>	<u>1,212,596</u>
Closing shareholders' funds		

### 22 GROSS CASH FLOWS

#### Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£	£
Operating (loss)/profit	526,634	355,387
Depreciation	257,799	258,318
Profit on disposal of fixed assets	(26,736)	(7,111)
Amortisation of intangible assets	58,051	-
(Increase)/decrease in stocks	(4,674)	(29,664)
Decrease/(increase) in debtors	(338,396)	(43,148)
(Decrease)/increase in creditors	344,017	(100,754)
	<u>816,695</u>	<u>433,028</u>
Net cash inflow from operating activities		
	2013	2012
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	183	6,140
Interest paid	(76,262)	(61,448)
Interest element of hire purchase payments	(47,767)	(23,532)
	<u>(123,846)</u>	<u>(78,796)</u>



**Danieli Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 April 2013

22 GROSS CASH FLOWS (CONTINUED)

	2013 £	2012 £
<b>Taxation</b>		
Corporation tax paid	(9,630)	(21,225)
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(3,027,152)	(2,837,697)
Receipts from sales of tangible assets	140,099	100,561
	<u>(2,887,053)</u>	<u>(2,737,136)</u>
<b>Financing</b>		
Debt factoring finance movement	304,549	(13,748)
Increase in bank loans	3,995,000	1,220,222
Repayment of bank loans	(931,811)	(64,043)
Brewery loan movement in year	-	(100,167)
Capital repayments in year	(203,570)	(175,085)
Directors' loans	-	(115,199)
	<u>3,164,168</u>	<u>751,980</u>

23 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£	£
Increase/(decrease) in cash in the period	680,334	(1,909,699)
Cash inflow in respect of repayment of debts, hire purchase and finance lease	1,511,166	867,180
New bank loans	<u>(3,995,000)</u>	<u>-</u>
Change in net funds resulting from cash flows	(2,483,834)	(2,776,879)
New finance leases	<u>(374,924)</u>	<u>(187,663)</u>
Change in net funds	<u>(2,858,758)</u>	<u>(2,964,542)</u>
Net funds at the beginning of the year	(3,085,683)	(121,141)
Net funds at the end of the year	<u>(5,944,441)</u>	<u>(3,085,683)</u>

24 ANALYSIS OF CHANGES IN NET DEBT

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	4,248	817,371	-	821,619
Overdrafts	<u>(269,474)</u>	<u>(137,037)</u>	<u>-</u>	<u>(406,511)</u>
	<u>(265,226)</u>	<u>680,334</u>	<u>-</u>	<u>415,108</u>
Debt due within one year	(1,848,674)	390,730	-	(1,457,944)
Debt due after one year	<u>(765,496)</u>	<u>236,532</u>	<u>(3,995,000)</u>	<u>(4,523,964)</u>
Finance lease and hire purchase contracts	<u>(206,287)</u>	<u>203,570</u>	<u>(374,924)</u>	<u>(377,641)</u>
	<u>(2,820,457)</u>	<u>830,832</u>	<u>(4,369,924)</u>	<u>(6,359,549)</u>
Net debt	<u>(3,085,683)</u>	<u>1,511,166</u>	<u>(4,369,924)</u>	<u>(5,944,441)</u>

# Danieli Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2013

### 25 CAPITAL AND OPERATING LEASE COMMITMENTS

Group annual commitments under non-cancellable operating leases are as follows

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
<i>Operating leases which expire</i>				
Within one year	-	-	5,333	8,740
Between one to five years	-	-	-	11,945
	<u>-</u>	<u>-</u>	<u>5,333</u>	<u>20,685</u>

### 26 MINORITY INTERESTS

The minority interest represents a 24.81% holding in the equity share capital of Danieli Property Investments Limited

### 27 RELATED PARTY TRANSACTIONS

The company's bank facilities are within a group facility which is secured by personal guarantees of £75,000 each given by S W Howe and N A Winch, directors of the company. The directors operate loan accounts jointly with their wives.

N A Winch (Director) & J M Winch

	2013 £	2012 £
Amount due from/(to) related party	<u>168,215</u>	<u>(60,266)</u>
Dividends paid £140,000 (2012 £150,000)		

S W Howe (Director) & C Howe

	2013 £	2012 £
Amount due from/(to) related party	<u>8,470</u>	<u>(178,985)</u>
Dividends paid £140,000 (2012 £150,000)		

### 28 TRANSACTIONS WITH DIRECTORS

During the year under review Mr N A Winch and his wife Mrs J M Winch, maintained a joint loan account with the company. Funds of £204,529 (2012 £160,780) were introduced and funds of £433,010 (2012 £160,780) withdrawn leaving a balance due to the company of £168,215 (2012 £60,266 due from the company).

During the year under review Mr S W Howe and his wife Mrs C Howe, maintained a joint loan account with the company. Funds of £205,403 (2012 £160,780) were introduced and funds of £392,858 (2012 £160,780) withdrawn leaving a balance due to the company of £8,470 (2012 £178,985 due from the company).

No interest (2012 £3,516) has been charged on the above loans.

### 29 ULTIMATE CONTROLLING UNDERTAKING

The company is under the joint control of S Howe and N A Winch, directors of the company.