

Company Registration No. 06599929 (England and Wales)

**DANIELI HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2018**

THURSDAY



\*A7YALOYI\*

A26

31/01/2019

#172

COMPANIES HOUSE

# DANIELI HOLDINGS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	N A Winch S W Howe D Winch
<b>Secretary</b>	N A Winch
<b>Company number</b>	06599929
<b>Registered office</b>	Patrick House Gosforth Park Avenue Newcastle Upon Tyne Tyne & Wear NE12 8EG
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD

---

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2018

---

The directors present the strategic report for the year ended 30 April 2018.

#### **Fair review of the business**

Danieli Holdings Limited is a holding company that provides head office services to its subsidiaries and related parties. Its income relates to recharges of various costs, such as head office salaries, rent and ancillary services.

Throughout the year the group consisted of Danieli Holdings Limited and its subsidiaries listed on page 28 of the financial statements. The principal activities of each of the subsidiaries is also listed on page 28.

Phoenix Eye Limited left the group in the prior period on 3 November 2016 following the directors' decision to restructure the group. Therefore, the prior year results only included 6 months of trading from what was the group's most profitable entity.

The group's performance was as follows:

	<b>2018</b>	<b>2017</b>	<b>Variance</b>
Turnover	£2,055k	£7,733k	-£5,678k
Gross profit	£827k	£2,247k	-£1,420k
EBITDA	£185k	£747k	-£562k
Net assets	£1,864k	£2,515k	-£651k

The performance of each trading group entity is measured each month by the directors by reviewing key performance indicators. A fair review of business including these key performance indicators is included below for each trading entity that materially impacts upon group results:

#### ***Northridge Healthcare Limited***

The principal activity of the company continued to be that of short-term respite care. The care home was closed for part of the prior year due to damage to the property.

	<b>2018</b>	<b>2017</b>	<b>Variance</b>
Turnover	£913k	£330k	+£583k
Gross profit	£288k	£75k	+£213k
EBITDA	£166k	(£13k)	+£179k
Net assets	£161k	£59k	+£101k

Turnover increased to £913k in 2018 from £330k in 2017, an increase of over 170%. The increase in turnover occurred as the care home began to work its way back to full capacity through 2018, given that for part of 2017 the care home was closed because of damage to the property. This impacted on other KPIs with gross margin increasing from 22.9% to 31.5% and net assets increasing from £59k to £161k thus putting the company back on a steady financial footing.

The directors consider that careful management of costs should lead to further positive performance from the care-home in the future. The directors are committed to maintaining the property to a high standard and investing in staff to provide the best possible care to residents and users of the facility.

#### ***YOLO (Ponteland) Limited***

The principal activity of the company continued to be the operation of a licensed premises.

	<b>2018</b>	<b>2017</b>	<b>Variance</b>
Turnover	£1,069k	£848k	+£221k
Gross profit	£469k	£324k	+£145k
EBITDA	£234k	£111k	+£123k
Net assets	£136k	(£40k)	+£176k

The company further established itself in the market place during 2018 as evidenced in the growth in all key performance indicators. The directors are pleased with the performance and move to a net assets position in the year.

---

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

---

### **Fair review of the business (continued)**

#### ***Education and Training Services (UK) Limited***

The principal activity of the company continued to be the provision of training services, mainly to group and related party companies.

	2018	2017	Variance
Turnover	£78k	£96k	-£18k
Gross profit	£71k	£86k	-£15k
EBITDA	£16k	£39k	-£23k
Net assets	£73k	£52k	+£21k

The company's key performance indicators can vary year on year due to the fact that the service is to related parties. The directors are however still satisfied with the net asset position of the company.

#### ***Student Accommodation (UK) Limited***

The property operated by the company was sold in the year to 30 April 2015 in line with the Directors decision to re-focus on the core activities of the group.

#### ***Danieli Property Investments Limited***

The principal activity of the company remains 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. During the year, the leasehold property the company held was transferred to another group company.

### **Monitoring and managing risk**

The directors continually analyse key risks to the group. All the risks facing the group rest within the subsidiary company:

#### ***People:***

The group is reliant on its ability to recruit, develop and retain staff to protect the business it has today and to deliver its future growth plans. Employees are provided with training and support that allow them to reach their potential within the company. Remuneration packages and pay rates are compared against security industry data to ensure that they remain competitive.

#### ***Reputational and regulatory risk:***

Compliance with regulations is a risk and could potentially impact on the reputation of the group along with the ability to admit residents to the care home operated by the group. The group ensures it follows all Care Quality Commission (CQC) regulations, including local authority and clinical commissioning group contractual requirements, with senior team members attending appropriate courses and conferences to make sure the group is always fully up to date with any anticipated updates or changes.

# DANIELI HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

---

### Future developments

The Directors are satisfied with the results for the year to 30 April 2018 and continue to look for encouraging performance of all subsidiaries in the group. As has been the strategy over recent years the Directors are actively looking to grow the business geographically where they are able to find targets that fit well.

The group is committed to continuing to invest in its staff and systems to ensure that our customer service continues to be outstanding, differentiating us from the competition.

By order of the board



.....  
N A Winch  
Secretary

Date: 29/1/19

# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2018

---

The directors present their annual report and financial statements for the year ended 30 April 2018.

#### **Principal activities**

The principal activities of the group in the year under review were those of security services, respite care, training services and the operation of a licensed premises.

#### **Directors**

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

N A Winch

S W Howe

D Winch

(Appointed 20 April 2018)

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £660,000 (2017 - £1,357,509). The directors do not recommend payment of a further dividend.

#### **Financial instruments**

##### ***Financial risk management objectives and policies***

The group finances its operations through a mixture of retained profits, bank borrowings, hire purchase agreements and borrowings from related entities. The management's objectives are to:

- retain sufficient liquid funds to enable the group to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;
- minimise the group's exposure to fluctuation of interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings with the expected future cash flows expected to arise from the group's trading activities.

As all of the group's surplus funds are invested in sterling bank accounts and all of its borrowings are obtained from standard bank overdrafts, loans, hire purchase agreements, finance lease agreements and connected-company borrowings, there is no price risk.

#### **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.

#### **Matters of strategic importance**

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.

#### **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.

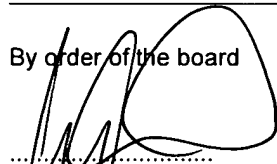
# DANIELI HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

---

By order of the board



N/A Vvinch

Secretary

Date: 29/1/19

# **DANIELI HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 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;
- 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 DANIELI HOLDINGS LIMITED**

---

## **Opinion**

We have audited the financial statements of Danieli Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 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, the company 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 30 April 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 DANIELI HOLDINGS 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 6, 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.



Steven Cleugh FCCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St. James' Gate  
Newcastle upon Tyne  
NE1 4AD  
29.1.19.....

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	2,054,512	7,732,910
Cost of sales		(1,226,937)	(5,485,916)
<b>Gross profit</b>		827,575	2,246,994
Administrative expenses		(1,841,845)	(2,363,145)
Other operating income		1,001,818	539,653
<b>Operating (loss)/profit</b>	<b>6</b>	(12,452)	423,502
Interest payable and similar expenses	<b>8</b>	(51,380)	(90,293)
Other gains and losses		-	110,000
<b>(Loss)/profit before taxation</b>		(63,832)	443,209
Tax on (loss)/profit	<b>9</b>	72,996	(174,618)
<b>Profit for the financial year</b>		9,164	268,591
<b>Other comprehensive income net of taxation</b>			
Revaluation of tangible fixed assets		-	381,300
<b>Total comprehensive income for the year</b>		9,164	649,891
Profit for the financial year is attributable to:			
- Owners of the parent company		7,712	245,928
- Non-controlling interests		1,452	22,663
		9,164	268,591
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		7,712	627,228
- Non-controlling interests		1,452	22,663
		9,164	649,891

**DANIELI HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Goodwill	11		101,056		110,989
Tangible assets	12		4,948,899		4,551,150
Investment properties	13		-		220,340
Investments	14		120,000		-
			<u>5,169,955</u>		<u>4,882,479</u>
<b>Current assets</b>					
Stocks	17	25,252		34,704	
Debtors	18	4,241,787		3,299,679	
Cash at bank and in hand		21,623		26,046	
		<u>4,288,662</u>		<u>3,360,429</u>	
<b>Creditors: amounts falling due within one year</b>	19	(6,005,249)		(4,268,567)	
<b>Net current liabilities</b>			<u>(1,716,587)</u>		<u>(908,138)</u>
<b>Total assets less current liabilities</b>			3,453,368		3,974,341
<b>Creditors: amounts falling due after more than one year</b>	20		(1,482,456)		(1,277,816)
<b>Provisions for liabilities</b>	24		(106,676)		(181,453)
<b>Net assets</b>			<u>1,864,236</u>		<u>2,515,072</u>
<b>Capital and reserves</b>					
Called up share capital	26		1,000		1,000
Revaluation reserve	27		415,000		569,581
Profit and loss reserves	27		1,477,755		1,975,462
<b>Equity attributable to owners of the parent company</b>			<u>1,893,755</u>		<u>2,546,043</u>
<b>Non-controlling interests</b>			(29,519)		(30,971)
			<u>1,864,236</u>		<u>2,515,072</u>

The financial statements were approved by the board of directors and authorised for issue on 29/1/19 and are signed on its behalf by:

  
 N.A. Winch  
 Director

**DANIELI HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,885,399		1,634,371	
Investments	14	595,080		475,080	
		<u>2,480,479</u>		<u>2,109,451</u>	
<b>Current assets</b>					
Debtors	18	5,075,506		4,395,398	
Cash at bank and in hand		-		37	
		<u>5,075,506</u>		<u>4,395,435</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(5,202,686)</u>		<u>(3,201,488)</u>	
<b>Net current (liabilities)/assets</b>			<u>(127,180)</u>		<u>1,193,947</u>
<b>Total assets less current liabilities</b>			<u>2,353,299</u>		<u>3,303,398</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(607,149)</u>		<u>(533,852)</u>
<b>Provisions for liabilities</b>	24		-		<u>(80,048)</u>
<b>Net assets</b>			<u><u>1,746,150</u></u>		<u><u>2,689,498</u></u>
<b>Capital and reserves</b>					
Called up share capital	26	1,000		1,000	
Revaluation reserve	27	415,000		415,000	
Profit and loss reserves	27	1,330,150		2,273,498	
<b>Total equity</b>			<u><u>1,746,150</u></u>		<u><u>2,689,498</u></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 loss for the year was £283,348 (2017 - £1,009,002 profit).

The financial statements were approved by the board of directors and authorised for issue on 22/1/19... and are signed on its behalf by:

  
N A Wirth  
Director

# **DANIELI HOLDINGS LIMITED**

## **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 May 2016</b>		1,000	188,281	3,655,884	3,845,165	(53,634)	3,791,531
<b>Year ended 30 April 2017:</b>							
Profit for the year		-	-	245,928	245,928	22,663	268,591
Other comprehensive income net of taxation:							
Revaluation of tangible fixed assets		-	381,300	-	381,300	-	381,300
Total comprehensive income for the year		-	381,300	245,928	627,228	22,663	649,891
Dividends	10	-	-	(1,835,050)	(1,835,050)	-	(1,835,050)
Transfers		-	-	(91,300)	(91,300)	-	(91,300)
<b>Balance at 30 April 2017</b>		1,000	569,581	1,975,462	2,546,043	(30,971)	2,515,072
<b>Year ended 30 April 2018:</b>							
Profit and total comprehensive income for the year		-	-	7,712	7,712	1,452	9,164
Dividends	10	-	-	(660,000)	(660,000)	-	(660,000)
Transfers		-	(154,581)	154,581	-	-	-
<b>Balance at 30 April 2018</b>		1,000	415,000	1,477,755	1,893,755	(29,519)	1,864,236

# DANIELI HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2016</b>		1,000	125,000	2,622,005	2,748,005
<b>Year ended 30 April 2017:</b>					
Profit for the year		-	-	1,009,002	1,009,002
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets		-	290,000	-	290,000
Total comprehensive income for the year		-	290,000	1,009,002	1,299,002
Dividends	10	-	-	(1,357,509)	(1,357,509)
<b>Balance at 30 April 2017</b>		1,000	415,000	2,273,498	2,689,498
<b>Year ended 30 April 2018:</b>					
Loss and total comprehensive income for the year		-	-	(283,348)	(283,348)
Dividends	10	-	-	(660,000)	(660,000)
<b>Balance at 30 April 2018</b>		1,000	415,000	1,330,150	1,746,150

# DANIELI HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	28	1,322,344		1,363,966	
Interest paid		(51,380)		(90,293)	
Income taxes paid		(78,756)		(344,434)	
<b>Net cash inflow from operating activities</b>		<u>1,192,208</u>		<u>929,239</u>	
<b>Investing activities</b>					
Purchase of intangible assets		-	(171,227)		
Purchase of tangible fixed assets		(326,037)	(470,487)		
Proceeds on disposal of tangible fixed assets		29,684	13,160		
Purchase of associates		(31,763)	-		
Purchase of fixed asset investments		(15)	-		
Net proceeds (to)/from other investments and loans		(224,348)	497,162		
<b>Net cash used in investing activities</b>		<u>(552,479)</u>		<u>(131,392)</u>	
<b>Financing activities</b>					
Proceeds of new bank loans		175,000	-		
Repayment of bank loans		(147,274)	(56,712)		
Payment of finance leases obligations		(36,359)	(98,542)		
Dividends paid to equity shareholders		(660,000)	-		
<b>Net cash used in financing activities</b>		<u>(668,633)</u>		<u>(155,254)</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(28,904)</u>		<u>642,593</u>	
Cash and cash equivalents at beginning of year		5,516		(637,077)	
<b>Cash and cash equivalents at end of year</b>		<u>(23,388)</u>		<u>5,516</u>	
<b>Relating to:</b>					
Cash at bank and in hand		21,623		26,046	
Bank overdrafts included in creditors payable within one year		(45,011)		(20,530)	



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

---

### 1 Accounting policies

#### Company information

Danieli Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Patrick House Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, Tyne & Wear, NE12 8EG.

The group consists of Danieli Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment at fair value. The principal accounting policies adopted are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate those of Danieli Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 April 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

#### Going concern

The group has net current liabilities. The directors have at the time of approving the financial statements, a reasonable expectation that the group and the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

---

### 1 Accounting policies (Continued)

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services to external customers in the ordinary nature of the business. Turnover is recognised as the service is delivered to the end user. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

#### Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years as, in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets, other than freehold land, less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10% straight line
Plant & machinery	10 - 25% straight line or 20 - 25% reducing balance
Fixtures and fittings	10 - 25% straight line or 15 - 20% reducing balance
Office equipment	20 - 25% straight line or 25% reducing balance
Motor vehicles	20% straight line

Plant & machinery includes CCTV equipment.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

#### Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

---

### 1 Accounting policies (Continued)

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 30 April 2018.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

#### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

---

### 1 Accounting policies (Continued)

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and overdrafts and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

---

#### 1 Accounting policies (Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

##### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 1 Accounting policies (Continued)

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Security services	-	6,472,123
Training services	78,735	83,520
Respite care services	913,354	329,561
Operation of licenced premises	1,062,423	847,706
	<u>2,054,512</u>	<u>7,732,910</u>
	2018 £	2017 £
<b>Other revenue</b>		
Sundry income	-	539,653
	<u>-</u>	<u>539,653</u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 3 Turnover and other revenue (Continued)

All of the group's turnover is attributable to activities located in the UK.

### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Site	44	565	-	-
Administration	30	26	29	26
	<u>74</u>	<u>591</u>	<u>29</u>	<u>26</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,492,101	5,595,267	731,171	630,949
Social security costs	117,207	299,069	66,536	53,734
Pension costs	7,167	19,272	4,104	3,239
	<u>1,616,475</u>	<u>5,913,608</u>	<u>801,811</u>	<u>687,922</u>

### 5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>21,824</u>	<u>99,647</u>

### 6 Operating (loss)/profit

	2018 £	2017 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	142,105	205,033
Depreciation of tangible fixed assets held under finance leases	45,128	69,479
Loss/(profit) on disposal of tangible fixed assets	5,118	(200)
Profit on disposal of investment property	-	(12,126)
Amortisation of intangible assets	9,933	48,694
Cost of stocks recognised as an expense	359,047	361,673
Operating lease charges	<u>-</u>	<u>8,812</u>

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 7 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the financial statements of the company's subsidiaries	4,000	11,000
	<u>8,000</u>	<u>15,000</u>

### 8 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	50,796	50,042
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	584	16,900
Other interest	-	23,351
	<u>51,380</u>	<u>90,293</u>

### 9 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	18,700
Adjustments in respect of prior periods	24,553	169,435
	<u>24,553</u>	<u>188,135</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(97,549)	(13,517)
	<u>(97,549)</u>	<u>(13,517)</u>
Total tax (credit)/charge for the year	<u>(72,996)</u>	<u>174,618</u>



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 9 Taxation (Continued)

The total tax (credit)/charge for the year included in the income statement can be reconciled to the (loss)/profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(63,832)	443,209
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(12,128)	88,642
Tax effect of expenses that are not deductible in determining taxable profit	(40,389)	(802)
Gains not taxable	4,126	-
Adjustments in respect of prior years	24,553	169,435
Effect of change in corporation tax rate	-	(3,725)
Group relief	-	(60,396)
Permanent capital allowances in excess of depreciation	(13,553)	-
Amortisation on assets not qualifying for tax allowances	1,887	-
Other permanent differences	15	(26,485)
Deferred tax adjustments in respect of prior years	3,871	-
Other short term timing differences	40,573	(27)
Deferred tax not recognised	(95,551)	7,976
Fixed asset differences	13,600	-
Taxation (credit)/charge for the year	(72,996)	174,618

### 10 Dividends

	2018 £	2017 £
Final paid	660,000	1,357,509

### 11 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 May 2017 and 30 April 2018	236,717
<b>Amortisation and impairment</b>	
At 1 May 2017	125,728
Amortisation charged for the year	9,933
At 30 April 2018	135,661

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

---

### 11 Intangible fixed assets (Continued)

**Carrying amount**

At 30 April 2018

101,056

At 30 April 2017

110,989

The company had no intangible fixed assets at 30 April 2018 or 30 April 2017.

# **DANIELI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 APRIL 2018**

### **12 Tangible fixed assets**

Group	Freehold land and buildings	Leasehold land and buildings	Plant & machinery	Fixtures and fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At 1 May 2017	3,477,715	506,774	99,399	407,214	327,453	339,661	5,158,216
Additions	202,758	12,455	1,422	24,954	11,215	146,640	399,444
Disposals	(20,386)	-	-	-	-	(38,631)	(59,017)
Transfers	-	220,340	-	-	-	-	220,340
At 30 April 2018	3,660,087	739,569	100,821	432,168	338,668	447,670	5,718,983
<b>Depreciation and impairment</b>							
At 1 May 2017	-	67,045	45,464	198,349	164,531	131,677	607,066
Depreciation charged in the year	-	51,193	6,462	34,386	38,358	56,834	187,233
Eliminated in respect of disposals	-	-	-	-	-	(24,215)	(24,215)
At 30 April 2018	-	118,238	51,926	232,735	202,889	164,296	770,084
<b>Carrying amount</b>							
At 30 April 2018	3,660,087	621,331	48,895	199,433	135,779	283,374	4,948,899
At 30 April 2017	3,477,715	439,729	53,935	208,865	162,922	207,984	4,551,150

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

Company	Freehold land and buildings £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 May 2017	1,300,000	3,850	276,395	267,537	1,847,782
Additions	192,500	-	9,427	146,640	348,567
Disposals	-	-	-	(7,619)	(7,619)
At 30 April 2018	1,492,500	3,850	285,822	406,558	2,188,730
<b>Depreciation and impairment</b>					
At 1 May 2017	-	1,949	129,043	82,419	213,411
Depreciation charged in the year	-	329	35,521	56,356	92,206
Eliminated in respect of disposals	-	-	-	(2,286)	(2,286)
At 30 April 2018	-	2,278	164,564	136,489	303,331
<b>Carrying amount</b>					
At 30 April 2018	1,492,500	1,572	121,258	270,069	1,885,399
At 30 April 2017	1,300,000	1,901	147,352	185,118	1,634,371

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Motor vehicles	153,514	303,981	153,514	151,806
Office equipment	-	1,144	-	-
	153,514	305,125	153,514	151,806
Depreciation charge for the year in respect of leased assets	45,128	69,479	45,128	33,287

Land and buildings with a carrying amount of £1,492,500 were revalued during the year to 30 April 2018 by the directors. The valuation is made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 13 Investment property

	Group 2018 £	Company 2018 £
<b>Fair value</b>		
At 1 May 2017 and 30 April 2018	220,340	-
Transfers	(220,340)	-
At 30 April 2018	-	-

Investment property comprises a lease at Belle Villas, Ponteland. The fair value of the investment property has been arrived at on the basis of a valuation carried out during the year ended 30 April 2017. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The historical cost of the investment properties is £47,059 (2017 - £47,059).

### 14 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	15	-	-	475,080	475,080
Investments in associates	16	119,985	-	119,985	-
Unlisted investments		15	-	15	-
		120,000	-	595,080	475,080

#### Movements in fixed asset investments

Group	Shares in group undertakings and participating interests £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 May 2017	-	-	-
Additions	119,985	15	120,000
At 30 April 2018	119,985	15	120,000
<b>Carrying amount</b>			
At 30 April 2018	119,985	15	120,000
At 30 April 2017	-	-	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2018

#### 14 Fixed asset investments (Continued)

##### Movements in fixed asset investments Company

	Shares in group undertakings and participating interests £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 May 2017	475,080	-	475,080
Additions	119,985	15	120,000
At 30 April 2018	595,065	15	595,080
<b>Carrying amount</b>			
At 30 April 2018	595,065	15	595,080
At 30 April 2017	475,080	-	475,080

#### 15 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Danieli Property Investments Limited	Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG	Property investment	Ordinary	100.00	-
Education and Training Services (UK) Limited	As above	Training services	Ordinary	100.00	-
Leisuretime (Freehold) Limited	As above	Dormant*	Ordinary	-	100.00
Leisuretime (Leasehold) Limited	As above	Dormant*	Ordinary	-	100.00
Leisuretime Pubgroup Limited	As above	Dormant*	Ordinary	100.00	-
Northridge Healthcare Limited	As above	Respite care services	Ordinary	100.00	-
Phoenix Security (UK) Limited	As above	Dormant	Ordinary	100.00	-
Student Accommodation Limited	As above	Student accommodation	Ordinary	100.00	-
YOLO (Ponteland) Limited	As above	Licensed bar and restaurant	Ordinary	100.00	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 15 Subsidiaries (Continued)

\* denotes subsidiary is exempt from audit under section 479A of the Companies Act 2006.

During the prior year, the company disposed of its investment in Phoenix Eye Limited.

The results of the subsidiaries have been included in the consolidated financial statements.

### 16 Associates

Details of associates at 30 April 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Boutique Bar and Tipi Company Limited	Patrick House, Gosforth Park Avenue, Gosforth Business Park, Newcastle upon Tyne, NE12 8EG	Operation of a licensed premises	Ordinary	30.00	
Stack Containers Limited	As above	Operation of a licensed premises	Ordinary	30.00	

The company acquired 30 of the £1 Ordinary share capital of Stack Containers Limited, a company registered in England and Wales, on 5 April 2018. These shares were acquired at par with consideration of £30 cash being paid before the year end.

The company also acquired 30 of the £1 Ordinary share capital of Boutique Bar and Tipi Company Limited, a company registered in England and Wales, on 5 April 2018. These shares were acquired at a premium of £119,925, with £31,733 cash being paid before the year end. Deferred consideration is included in the balance sheet at £88,222.

### 17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	25,252	34,704	-	-

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 18 Debtors

	Group 2018	2017	Company 2018	2017
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	61,483	7,203	2,425	-
Amounts owed by group undertakings	-	-	2,552,435	2,816,065
Other debtors	3,410,578	2,281,287	2,355,169	1,341,378
Prepayments and accrued income	746,954	1,011,189	161,672	237,955
	<u>4,219,015</u>	<u>3,299,679</u>	<u>5,071,701</u>	<u>4,395,398</u>
Deferred tax asset (note 24)	22,772	-	3,805	-
	<u>4,241,787</u>	<u>3,299,679</u>	<u>5,075,506</u>	<u>4,395,398</u>

### 19 Creditors: amounts falling due within one year

		Group 2018	2017	Company 2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	21	217,503	378,054	102,742	60,477
Obligations under finance leases	22	119,834	74,668	119,834	74,668
Trade creditors		336,025	186,251	273,912	78,017
Amounts due to group undertakings		-	-	1,072,649	1,072,691
Corporation tax payable		-	54,203	-	54,203
Other taxation and social security		124,077	125,388	49,454	97,733
Other creditors		5,029,365	3,317,386	3,485,087	1,672,070
Accruals and deferred income		178,445	132,617	99,008	91,629
		<u>6,005,249</u>	<u>4,268,567</u>	<u>5,202,686</u>	<u>3,201,488</u>

Bank loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017). Overdrafts are secured by way of fixed and floating charges over the assets of the company.

Finance leases are secured under the assets to which they relate.



# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	21	1,424,509	1,211,751	549,202	467,787
Obligations under finance leases	22	57,947	66,065	57,947	66,065
		<u>1,482,456</u>	<u>1,277,816</u>	<u>607,149</u>	<u>533,852</u>

Bank loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017).

Finance leases are secured under the assets to which they relate.

### 21 Borrowings

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	1,597,001	1,569,275	630,130	512,671
Bank overdrafts	45,011	562,440	21,814	15,593
	<u>1,642,012</u>	<u>2,131,715</u>	<u>651,944</u>	<u>528,264</u>
Payable within one year	217,503	919,964	102,742	60,477
Payable after one year	<u>1,424,509</u>	<u>1,211,751</u>	<u>549,202</u>	<u>467,787</u>

The long-term loans are secured by a debenture on certain assets and by an unlimited guarantee across the group (dated 23 February 2017).

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 21 Borrowings (Continued)

The group has four term loans with AIB Bank plc.

The balance on the first loan as at 30 April 2018 was £467,555 (2017 - £512,671). This bank loan runs until 1 June 2020. Repayments of £15,165 are due quarterly, inclusive of capital and interest. At the end of the term the outstanding amount due under the loans will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

The balance on the second loan as at 30 April 2018 was £941,383 (2017 - £1,006,567). This bank loan runs until 1 June 2020. Repayments of £23,970 are due quarterly, inclusive of capital and interest. At the end of the term the outstanding amount due under the loans will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

The balance on the third loan as at 30 April 2018 was £25,488 (2017 - £50,037). This bank loan runs for 2 years from date of first draw down. Repayments are £6,448, due quarterly inclusive of capital and interest. Interest is charged at 3.25% per annum varying 2.75% above bank base rate currently 0.5%.

The balance on the fourth loan as at 30 April 2018 was £162,575 (2017 - £nil). This bank loan runs until 8 September 2022. Repayments of £5,067 are due quarterly, inclusive of capital and interest. At the end of the term the outstanding amount due under the loans will be repayable in full as a single payment unless a further facility is made available by the Bank. Interest is charged at 3.25% per annum varying being 2.75% above the Bank's Base Rate which was 0.5% during the year.

### 22 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Less than one year	133,977	86,038	133,977	86,038
Between one and five years	62,809	77,007	62,809	77,007
	196,786	163,045	196,786	163,045
Less: future finance charges	(19,005)	(22,312)	(19,005)	(22,312)
	177,781	140,733	177,781	140,733

Obligations under finance leases are secured on the assets to which they relate.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

### 23 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	4,205,759	2,288,395	5,051,305	4,155,647
Equity instruments measured at cost less impairment	15	-	15	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	7,303,628	5,767,969	6,022,232	3,442,671

### 24 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Accelerated capital allowances	93,853	94,681	22,772	-
Tax losses	(1,559)	-	-	-
Revaluations	-	68,072	-	-
Investment property	-	18,700	-	-
Capital Gains	14,382	-	-	-
	106,676	181,453	22,772	-
<b>Company</b>				
Accelerated capital allowances	-	11,976	3,805	-
Revaluations	-	68,072	-	-
	-	80,048	3,805	-

	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Liability at 1 May 2017	181,453	80,048
Credit to profit or loss	(16,824)	(83,853)
Liability/(asset) at 30 April 2018	164,629	(3,805)

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 25 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	7,167	19,272

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £2,511 (2017 - £3,454) were payable to the fund at the year end and are included in creditors.

### 26 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000

#### *Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 27 Reserves

#### **Revaluation reserve**

Cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit and loss.

#### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 28 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	9,164	268,591
Adjustments for:		
Taxation (credited)/charged	(72,996)	174,618
Finance costs	51,380	90,293
Loss/(gain) on disposal of tangible fixed assets	5,118	(200)
Amortisation and impairment of intangible assets	9,933	48,694
Depreciation and impairment of tangible fixed assets	187,233	274,512
Other gains and losses	-	(110,000)
Movements in working capital:		
Decrease/(increase) in stocks	9,452	(154,572)
(Increase) in debtors	(694,988)	(4,110,280)
Increase in creditors	1,818,048	4,882,310
<b>Cash generated from operations</b>	<b>1,322,344</b>	<b>1,363,966</b>

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2018 £	2017 £
Aggregate compensation	175,778	99,647

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018 £	2017 £	2018 £	2017 £
<b>Group</b>				
Entities over which the group has control, joint control or significant influence	610,978	-	30,345	-
<b>Company</b>				
Other related parties	548,578	671,560	-	4,121

# DANIELI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

### 29 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2018 £	2017 £
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	3,291,720	1,072,691

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2018 Balance £	2017 Balance £
<b>Group</b>		
Key management personnel	1,062,169	574,841
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	1,533,330	2,816,065
Key management personnel	1,062,169	577,821

### 30 Controlling party

The directors consider the group to be jointly controlled by S Howe and N A Winch by virtue of their holdings in the company, Danieli Holdings Limited.

Danieli Holdings Limited is the smallest and largest group for which consolidated financial statements including Danieli Holdings Limited are prepared.