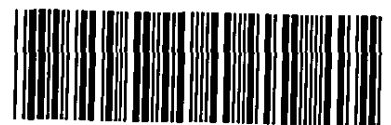


DANTEC LIMITED
DIRECTOR'S REPORT AND ACCOUNTS
for the year ended
30th April 2010

Company Registration Number 01057158

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DANTEC LIMITED

Accounts

Year ended 30th April 2010

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DANTEC LIMITED

Officers and Professional Advisers

The director	E J Davis
Company secretary	Mrs M Davis
Registered office	Tarran Industrial Estate Tarran Way Moreton Wirral Merseyside CH46 4TL
Auditor	Mitchell Charlesworth Chartered Accountants Statutory Auditor 5 Temple Square Temple Street Liverpool L2 5RH

DANTEC LIMITED

The Director's Report

Year ended 30th April 2010

The director presents his report and the accounts of the company for the year ended 30th April 2010

Principal activities and business review

The principal activities of the company during the year were the manufacture of composite hoses, hose assemblies, gaskets and seals

The director is pleased with the performance of the company, and the profit for the year, particularly being generated in challenging economic conditions. The director believes that the business has a sound platform from which profitability will be maintained in the current financial year

Results and dividends

The profit for the year, after taxation, amounted to £371.668. The director has not recommended a dividend

Financial risk management objectives and policies

The company uses conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The directors receive regular reports on these figures in order to manage the company's requirements

Director

The director who served the company during the year was as follows

E J Davis

Auditor

Mitchell Charlesworth are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the director



Mrs M Davis
Company Secretary

Approved by the director on 17th September 2010

DANTEC LIMITED

Statement of Director's Responsibilities

Year ended 30th April 2010

The director is responsible for preparing the Director's Report and the accounts in accordance with applicable law and regulations

Company law requires the director to prepare accounts for each financial year. Under that law the director has elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the director is required to

- select suitable accounting policies and then apply them consistently,

- make judgements and estimates that are reasonable and prudent,

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and

- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Mitchell Charlesworth

Chartered Accountants

5 Temple Square Temple Street Liverpool

DANTEC LIMITED

Independent Auditors' Report to the Shareholders of Dantec Limited

Year ended 30th April 2010

We have audited the accounts of Dantec Limited for the year ended 30th April 2010 on pages 6 to 18. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the accounts.

Opinion on accounts

In our opinion the accounts

give a true and fair view of the state of the company's affairs as at 30th April 2010 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the accounts are prepared is consistent with the accounts.

Mitchell Charlesworth

Chartered Accountants
5 Temple Square Temple Street Liverpool

DANTEC LIMITED

Independent Auditors' Report to the Shareholders of Dantec Limited *(continued)*

Year ended 30th April 2010

Matters on which we are required to report by exception

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

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the accounts are not in agreement with the accounting records and returns, or

certain disclosures of director's remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit



MR C H PLUMMER
(Senior Statutory Auditor)
For and on behalf of
MITCHELL CHARLESWORTH
Chartered Accountants
Statutory Auditor

5 Temple Square
Temple Street
Liverpool
L2 5RH

17th September 2010

DANTEC LIMITED

Profit and Loss Account

Year ended 30th April 2010

	Note	2010 £	2009 £
Turnover	2	5,160,729	5,744,721
Cost of sales		2,970,474	3,329,236
Gross profit		2,190,255	2,415,485
Distribution costs		1,001,160	1,088,107
Administrative expenses		617,824	651,064
Other operating income	3	(4,482)	(38,041)
Operating profit	4	575,753	714,355
Interest receivable	7	—	218
Interest payable and similar charges	8	(79,506)	(100,813)
Profit on ordinary activities before taxation		496,247	613,760
Tax on profit on ordinary activities	9	124,579	134,683
Profit for the financial year		<u>371,668</u>	<u>479,077</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 18 form part of these accounts.

DANTEC LIMITED

Balance Sheet

30th April 2010

	Note	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	10		436,783		425,902
Current assets					
Stocks	11	551,400		577,414	
Debtors	12	3,587,581		3,540,342	
Cash at bank and in hand		31,552		96,116	
		<u>4,170,533</u>		<u>4,213,872</u>	
Creditors: Amounts falling due within one year	13	<u>1,846,033</u>		<u>1,975,775</u>	
Net current assets			<u>2,324,500</u>		<u>2,238,097</u>
Total assets less current liabilities			<u>2,761,283</u>		<u>2,663,999</u>
Creditors: Amounts falling due after more than one year	14		440,159		722,543
Provisions for liabilities					
Deferred taxation	17		25,900		17,900
			<u>2,295,224</u>		<u>1,923,556</u>
Capital and reserves					
Called-up equity share capital	19		103,000		103,000
Share premium account	20		3,000		3,000
Other reserves	21		6,760		6,760
Profit and loss account	22		2,182,464		1,810,796
Shareholders' funds	23		<u>2,295,224</u>		<u>1,923,556</u>

Included within debtors above are amounts owed by group undertakings of £2,548,503 (2009 2,385,473), which are due after more than one year

These accounts were approved and signed by the director and authorised for issue on 17th September 2010



E J Davis

Company Registration Number 01057158

The notes on pages 8 to 18 form part of these accounts

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the accounts on the grounds that a cash flow statement is available in the consolidated accounts of Dantec Hose Limited

Related parties transactions

Details of transactions with fellow group undertakings are not disclosed in these accounts as they are included in the consolidated accounts of Dantec Hose Limited

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Research and development

Research and development expenditure is written off in the year in which it is incurred

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% per annum straight line basis
Plant & Machinery	-	20% per annum reducing balance basis
Fixtures & Fittings	-	20% per annum reducing balance basis
Motor Vehicles	-	25% per annum reducing balance basis or over the lease period

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

1. Accounting policies *(continued)*

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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 have occurred at that date that will result in an obligation to pay more or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Financial instruments

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

Government grants

Government grants received in respect of revenue expenditure, are released to the profit and loss account in the same period as the expenditure they were provided for.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account in accordance with the depreciation policy of the asset they were provided for.

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2010 £	2009 £
United Kingdom	1,595,255	1,882,415
Overseas	3,565,474	3,862,306
	<u>5,160,729</u>	<u>5,744,721</u>

3. Other operating income

	2010 £	2009 £
Grant income	<u>4,482</u>	<u>38,041</u>

4. Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	37,165	26,569
Depreciation of assets held under hire purchase agreements	9,219	16,279
Loss on disposal of fixed assets	—	2,460
Auditors' remuneration		
- as auditor	5,000	4,850
- for other services	<u>13,085</u>	<u>8,985</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2010	2009
	No	No
Factory and production	25	24
Sales and marketing	15	17
Office, management and administration	13	14
	<u>53</u>	<u>55</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	1,116,965	1,106,825
Social security costs	113,805	108,731
Other pension costs	58,829	72,292
	<u>1,289,599</u>	<u>1,287,848</u>

6. Director's remuneration

The director's aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Remuneration receivable	39,398	39,042
Value of company pension contributions to money purchase schemes	25,299	22,903
	<u>64,697</u>	<u>61,945</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2010	2009
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

7. Interest receivable

	2010	2009
	£	£
Bank interest receivable	<u>—</u>	<u>218</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

8. Interest payable and similar charges

	2010 £	2009 £
Interest payable on bank borrowing	42,981	50,708
Finance charges	1,741	3,058
Other similar charges payable	34,784	47,047
	<u>79,506</u>	<u>100,813</u>

9. Taxation on ordinary activities

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	116,579	144,024
Over/under provision in prior year	-	(15,741)
Total current tax	<u>116,579</u>	<u>128,283</u>
Deferred tax		
Origination and reversal of timing differences	8,000	6,400
Tax on profit on ordinary activities	<u>124,579</u>	<u>134,683</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>496,247</u>	<u>613,760</u>
Profit on ordinary activities by rate of tax	138,949	171,853
Expenses not deductible for tax purposes	4,298	5,660
Capital allowances for period in excess of depreciation	(7,935)	(6,403)
Qualifying R&D expenditure deduction	(887)	(10,852)
Over/under provision in prior year	-	(15,741)
Marginal relief	(17,846)	(16,234)
Total current tax (note 9(a))	<u>116,579</u>	<u>128,283</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

10. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 May 2009	336,432	283,243	68,691	24,711	713,077
Additions	—	50,184	7,081	—	57,265
At 30 April 2010	<u>336,432</u>	<u>333,427</u>	<u>75,772</u>	<u>24,711</u>	<u>770,342</u>
Depreciation					
At 1 May 2009	60,522	163,068	51,394	12,191	287,175
Charge for the year	4,308	34,071	4,875	3,130	46,384
At 30 April 2010	<u>64,830</u>	<u>197,139</u>	<u>56,269</u>	<u>15,321</u>	<u>333,559</u>
Net book value					
At 30 April 2010	<u>271,602</u>	<u>136,288</u>	<u>19,503</u>	<u>9,390</u>	<u>436,783</u>
At 30 April 2009	<u>275,910</u>	<u>120,175</u>	<u>17,297</u>	<u>12,520</u>	<u>425,902</u>

Included in freehold land and buildings cost is an amount of £121,000 which relates to non-depreciable land

Hire purchase agreements

Included within the net book value of £436,783 is £34,784 (2009 - £60,942) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £9,219 (2009 - £16,279)

11. Stocks

	2010 £	2009 £
Raw materials	261,657	178,156
Work in progress	25,959	29,826
Finished goods	263,784	369,432
	<u>551,400</u>	<u>577,414</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

12. Debtors

	2010	2009
	£	£
Trade debtors	1,008,729	1,114,586
Amounts owed by group undertakings	2,548,503	2,385,473
Other debtors	25,884	15,289
Corporation tax	—	18,741
Prepayments and accrued income	4,465	6,253
	<u>3,587,581</u>	<u>3,540,342</u>

Amounts owed by group undertakings detailed above are payable after more than one year

13. Creditors: Amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts	611,507	1,000,751
Trade creditors	688,871	514,639
Corporation tax	159,739	177,643
Other taxation and social security	44,904	41,089
Hire purchase agreements	1,196	18,682
Other creditors	5,404	6,918
Director's loan account	200,000	—
Accruals and deferred income	134,412	216,053
	<u>1,846,033</u>	<u>1,975,775</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2010	2009
	£	£
Bank loans and overdrafts	611,507	1,000,751
Hire purchase agreements	1,196	18,682
	<u>612,703</u>	<u>1,019,433</u>

Included in bank loans and overdrafts is an amount of £530,315 (2009 £799,765) due to Royal Bank of Scotland Commercial Services plc which is secured by a charge on the trade debts of the company

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

14. Creditors: Amounts falling due after more than one year

	2010	2009
	£	£
Bank loans	440,159	521,347
Hire purchase agreements	—	1,196
Director's loan account	—	200,000
	<u>440,159</u>	<u>722,543</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010	2009
	£	£
Bank loans	440,159	521,347
Hire purchase agreements	—	1,196
	<u>440,159</u>	<u>522,543</u>

Interest is charged on the bank loans at a variable rate per annum of 2% over base rate. The loans are secured by a first legal charge over the freehold property held by the company, and an unlimited debenture and guarantee from DFH Hose Limited.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2010	2009
	£	£
Bank loans	<u>244,541</u>	<u>297,357</u>

15. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows

	2010	2009
	£	£
Amounts repayable		
In one year or less or on demand	81,192	186,224
In more than one year but not more than two years	43,180	81,188
In more than two years but not more than five years	152,439	142,802
In more than five years	<u>244,541</u>	<u>297,357</u>
	<u>521,352</u>	<u>707,571</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2010	2009
	£	£
Amounts payable within 1 year	1,343	20,424
Amounts payable between 2 to 5 years	-	1,343
	<u>1,343</u>	<u>21,767</u>
Less interest and finance charges relating to future periods	(147)	(1,889)
	<u>1,196</u>	<u>19,878</u>
Hire purchase agreements are analysed as follows		
Current obligations	1,196	18,682
Non-current obligations	-	1,196
	<u>1,196</u>	<u>19,878</u>

17. Deferred taxation

The movement in the deferred taxation provision during the year was

	2010	2009
	£	£
Provision brought forward	17,900	11,500
Profit and loss account movement arising during the year	8,000	6,400
Provision carried forward	<u>25,900</u>	<u>17,900</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2010	2009
	£	£
Excess of taxation allowances over depreciation on fixed assets	25,900	17,900
	<u>25,900</u>	<u>17,900</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

18. Related party transactions

Mr E J Davis, company director, made a loan to the company of £200,000 during the year ended 30th April 2008. The loan is repayable within one year and interest was accrued throughout the year at 8%. Total interest charged during the year amounted to £16,013 (2009 £11,267).

Amounts due from group undertakings will only be settled following a distribution from the company, or the sale of the company, with part of the proceeds being used to repay the debt.

19. Share capital

Authorised share capital:

	2010	2009
	£	£
120,000 Ordinary shares of £1 each	<u>120,000</u>	<u>120,000</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
103,000 Ordinary shares of £1 each	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>

20. Share premium account

There was no movement on the share premium account during the financial year.

21. Other reserves

	2010	2009
	£	£
Capital reserve account	<u>6,760</u>	<u>6,760</u>

22. Profit and loss account

	2010	2009
	£	£
Balance brought forward	1,810,796	1,331,719
Retained profit for the financial year	<u>371,668</u>	<u>479,077</u>
Balance carried forward	<u>2,182,464</u>	<u>1,810,796</u>

DANTEC LIMITED

Notes to the Accounts

Year ended 30th April 2010

23. Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit for the financial year	371,668	479,077
Opening shareholders' funds	1,923,556	1,444,479
Closing shareholders' funds	<u>2,295,224</u>	<u>1,923,556</u>

24. Ultimate parent undertaking

The ultimate parent undertaking is Dantec Hose Limited, which owns the entire issued share capital in the immediate parent undertaking, DFH Hose Limited. Both company's are incorporated in England.

The ultimate controlling party is Mr E J Davis, who is a director and controlling shareholder of Dantec Hose Limited.