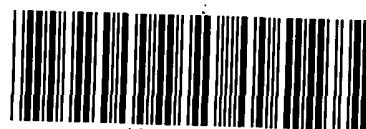


**DANTEC LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2016**

SATURDAY



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# DANTEC LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D W Connolly Mr J D Laidlaw Mr J M Loach Mr J Harengel
<b>Company number</b>	01057158
<b>Registered office</b>	Tarran Industrial Estate Tarran Way Moreton Merseyside CH46 4TL
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool L3 9AG

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# DANTEC LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

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The directors present the strategic report for the year ended 30 April 2016.

#### Review of the business

General trading performance was a little down on the previous year in terms of sales with turnover decreasing from £5.9m in 2015 to £5.59m in 2016. However, close control of costs helped increase operating profit from £581k in 2015 to £610k in 2016. The directors anticipate a return to growth in sales and a continuation of the underlying profit improvement in the following year. Underlying net assets of the business increased from £3.6m in 2015 to £4.1m in 2016, with an increase in the current ratio from 3.08 to 3.84, showing an improved liquidity and working capital position. There has been a small investment in capital expenditure in the year amounting to £53k.

#### Principal risks and uncertainties

The principal risks and uncertainties facing the company are outlined below:

##### **Market conditions**

The company's products are sold via a network of distributors into nearly 50 geographical territories around the world. Demand is dependent on activity levels in these separate markets and on the effectiveness and efficiency of our various distributor partners. We constantly monitor distributor performance against annual budgets, taking corrective action (including replacing distributors) where appropriate. The broad geographic spread of our business gives us a natural hedge against an unexpected downturn in a specific territory, however, the general downturn in the oil and gas market has, undoubtedly, had an impact on the business, reflected in the year on year sales reduction. The directors believe that events of the world stage continue to present challenges to the manufacturing industry as a whole to which we could not claim to be immune from however we take a positive approach to continue to look for new markets and sales opportunities.

##### **Currency risk**

The company both sells and buys in USD and €, however there is typically a net asset exposure on both currencies. The directors do not purchase financial instruments to attempt to mitigate this exposure as the risk of significant impact to the business is minimal.

##### **Customer credit risk**

The nature of our worldwide customer base inevitably means that there is a risk of suffering a bad debt. However we operate established and effective credit control processes and procedures that flag to senior management at the first sign of any concerns in this regard. Such is the effectiveness of these procedures and the strength of our relationships with all our customers that significant problems are rarely encountered. In addition a Trade Debtor insurance policy is in place which provides cover against credit risks for a proportion of our export turnover.

##### **Interest rate risk**

Due to investment from Elaflex Gummi Ehlers at the year end a significant portion of the group long term debt has been paid off, so remaining debt is on variable rates however the group has sufficient interest cover to comfortably cope with a significant interest rate increase on the long term borrowings.

##### **Liquidity risk**

The company pays particular attention to management of cash flow. An invoice discounting facility is in place with Royal Bank of Scotland and this is used to fund routine working capital requirements. The available headroom in the facility is constantly monitored and reported.

#### Key performance indicators

The company pays particular focus to a number of key performance indicators which the directors believe reflect the strategic goals of the organisation. All of these indicators improved during the period.

	2016	2015
Operating Profit (£)	609,932	580,560
Return on Sales (Operating Profit)	10.91%	9.73%

# DANTEC LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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### **Matters of strategic importance**

The factory extension has been completed and the building is ready for new production lines to be installed, which will give a significant increase in capacity.

On behalf of the board



.....  
Mr D W Connolly

**Director**

11<sup>th</sup> June 2017

# DANTEC LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 APRIL 2016

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The directors present their annual report and financial statements for the year ended 30 April 2016.

#### Principal activities

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

#### Directors

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

Mr D W Connolly

Mr J D Laidlaw

Mr J M Loach

Mr J Harengel

(Appointed 25 February 2016)

#### Results and dividends

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

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

#### Financial instruments

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.

#### Future developments

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

#### Auditor

The auditor, RSM UK Audit LLP, (formerly Baker Tilly UK Audit LLP), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr D W Connolly

Director

17 June 2017

# **DANTEC LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2016**

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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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DANTEC LIMITED

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### **Opinion on financial statements**

We have audited the financial statements on pages 7 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 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.

### **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/auditscopeukprivate>

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

In our opinion 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, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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

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

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


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

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### 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.

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.



Graham Bond FCA (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

19/11/17



# DANTEC LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2016


	Notes	2016 £	2015 £
Turnover		5,588,407	5,968,063
Cost of sales		(3,640,190)	(4,010,511)
<b>Gross profit</b>		<u>1,948,217</u>	<u>1,957,552</u>
Administrative expenses		(1,341,497)	(1,381,804)
Other operating income		3,212	4,812
<b>Operating profit</b>	<b>2</b>	<u>609,932</u>	<u>580,560</u>
Interest receivable and similar income		295	62,944
Interest payable and similar expenses		(30,596)	(34,626)
<b>Profit on ordinary activities before taxation</b>		<u>579,631</u>	<u>608,878</u>
Taxation		(89,865)	(87,305)
<b>Profit for the financial year</b>	<b>12</b>	<u><u>489,766</u></u>	<u><u>521,573</u></u>

**DANTEC LIMITED****BALANCE SHEET****AS AT 30 APRIL 2016**

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		528,805		552,261
<b>Current assets</b>					
Stocks		716,814		640,939	
Debtors	6	4,758,559		4,639,223	
Cash at bank and in hand		2,219		3,461	
		<u>5,477,592</u>		<u>5,283,623</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,425,087)</u>		<u>(1,714,897)</u>	
<b>Net current assets</b>			4,052,505		3,568,726
<b>Total assets less current liabilities</b>			<u>4,581,310</u>		<u>4,120,987</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(461,821)		(488,460)
<b>Provisions for liabilities</b>			<u>(23,856)</u>		<u>(26,660)</u>
<b>Net assets</b>			<u>4,095,633</u>		<u>3,605,867</u>
<b>Capital and reserves</b>					
Called up share capital	10		103,000		103,000
Share premium account	11		3,000		3,000
Capital redemption reserve			6,760		6,760
Profit and loss reserves	12		3,982,873		3,493,107
<b>Total equity</b>			<u>4,095,633</u>		<u>3,605,867</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 17/11/17 and are signed on its behalf by:

  
 .....  
 Mr D W Connolly  
 Director

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies

#### Company information

Dantec Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tarran Industrial Estate, Tarran Way, Moreton, Merseyside, CH46 4TL.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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. The principal accounting policies adopted are set out below.

#### Transition to FRS 102

These financial statements are the first financial statements of Dantec Limited prepared in accordance FRS 102. The financial statements of Dantec Limited for the year ended 30 April 2015 were prepared in accordance with previous UK GAAP. The date of transition was 1 May 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### Going concern

The company forms part of the LCL Hose Limited group. The group meets its day to day working capital requirements through an invoice financing facility which provides for facilities of £950,000. As at 30 April 2016 the group was utilising £445,356 (2015 - £638,648) of this facility.

The directors have prepared forecasts for the group for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business.

The forecasts and projections show that the group is expected to be able to continue to operate within the level of its current facilities based on the continued support of the group's bank and loan from the ultimate parent company Elaflex-Gummi Ehlers GmbH. The directors have no reason to believe that this support will not be forthcoming.

The loan is due for repayment in December 2016 but the holders ultimate parent company Elaflex-Gummi Ehlers GmbH have confirmed in writing that they will support the group for at least 12 months from the approval of the financial statements.

The directors therefore have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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### 1 Accounting policies (Continued)

#### Turnover

The turnover shown in the profit and loss account represents amounts received and receivable during the year, exclusive of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 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 less their residual values over their useful lives on the following bases:

Freehold buildings	2% - 4% per annum straight line basis
Plant & machinery	20% - 50% per annum straight line basis
Fixtures & fittings	20% per annum straight line basis
Motor vehicles	25% and 30% per annum straight line basis or over the lease period

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.

Assets under construction and freehold land is not depreciated.

#### Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

---

### 1 Accounting policies (Continued)

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 company 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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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.

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

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

---

### 1 Accounting policies (Continued)

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

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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 company.

#### **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 period.

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 the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods 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 periods 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.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

#### **Retirement benefits**

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.

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 1 Accounting policies (Continued)

#### Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. This is expected to be between 5-25 years. Grants towards revenue expenditure are released to profit or loss as the related expenditure is incurred.

#### Foreign exchange

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. Exchange differences are taken into account in arriving at the operating profit.

### 2 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	12,450	11,000

### 3 Employees

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

	2016 Number	2015 Number
Factory and production	28	28
Sales and marketing	6	7
Office, management and administration	12	10
Directors	3	3
	49	48

### 4 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	257,061	247,168

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 5 Tangible fixed assets

	Freehold buildings £	Assets under construction £	Plant & machinery £	Fixtures & Motor vehicles fittings £	Total £
<b>Cost</b>					
At 1 May 2015	361,615	217,070	463,231	136,036	1,209,438
Additions	12,206	-	26,292	14,020	52,518
Disposals	(3,024)	-	(6,540)	-	(9,564)
Transfers	177,961	(217,070)	29,109	-	(10,000)
At 30 April 2016	548,758	-	512,092	150,056	1,242,392
<b>Depreciation and impairment</b>					
At 1 May 2015	110,112	-	416,250	99,329	657,177
Depreciation charged in the year	12,380	-	31,889	14,959	59,228
Eliminated in respect of disposals	(202)	-	(2,616)	-	(2,818)
At 30 April 2016	122,290	-	445,523	114,288	713,587
<b>Carrying amount</b>					
At 30 April 2016	426,468	-	66,569	35,768	528,805
At 30 April 2015	251,503	217,070	46,981	36,707	552,261

Included in freehold land and buildings cost is an amount of £121,000 (2015 - £121,000) which relates to non-depreciable land.

### 6 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	925,523	1,114,908
Amounts due from group undertakings	3,769,816	3,452,273
Other debtors	63,220	72,042
	4,758,559	4,639,223



# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

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

	2016 £	2015 £
Bank loans and overdrafts	50,018	40,698
Trade creditors	671,928	786,965
Corporation tax	94,598	81,019
Other taxation and social security	32,376	28,780
Other creditors	576,167	777,435
	<u>1,425,087</u>	<u>1,714,897</u>

Included within other creditors is an invoice discounting liability of £445,356 (2015 - £638,648) which is secured over the debtor balances to which they relate by legal charge in favour of Royal Bank of Scotland Commercial Services plc. The bank loan and overdraft are also secured.

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

	2016 £	2015 £
Bank loans and overdrafts	412,945	439,497
Other creditors	48,876	48,963
	<u>461,821</u>	<u>488,460</u>

During the year the company received government grants of £3,125 (2015 - £53,775) of which £3,212 (2015 - £4,812) was amortised in the year.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>298,129</u>	<u>328,071</u>
------------------------	----------------	----------------

Interest is charged on the bank loan at a rate of Bank of England base rate plus 2.5%. The loan is secured by a first legal charge over the freehold property held by the company and an unlimited debenture.

### 9 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	23,856	26,660
	<u>23,856</u>	<u>26,660</u>

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 10 Called up share capital

	2016 £	2015 £
<b>Ordinary share capital Issued and fully paid</b>		
103,000 Ordinary shares of £1 each	103,000	103,000

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.

### 11 Share premium account

	2016 £	2015 £
At beginning and end of year	3,000	3,000

The share premium account relates to the consideration received for shares issued above nominal value net of transaction costs.

### 12 Profit and loss reserves

	2016 £	2015 £
At the beginning of the year	3,493,107	2,971,534
Profit for the year	489,766	521,573
At the end of the year	3,982,873	3,493,107

Reserves relate to the cumulative profit and loss net of distributions to owners.

# DANTEC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2016

### 13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	26,952	15,470
Between two and five years	29,872	5,764
In over five years	177	-
	<u>57,001</u>	<u>21,234</u>

### 14 Related party transactions

#### Transactions with Elaflex group companies

The parent company, LCL Hose Limited, is not 100% owned by Elaflex-Gummi Ehlers GmbH and so transactions between Dantec Limited and other companies in the Elaflex group are disclosed below.

During the year sales were made to Elaflex group companies of £24,681 (2015 - £Nil) and at the balance sheet date £24,681 was due from Elaflex group companies and is included in trade debtors.

During the year purchases were made from Elaflex group companies of £60,597 (2015 - £Nil) and at the balance sheet date £60,597 was due to Elaflex group companies and is included in trade creditors.

### 15 Directors' transactions

During the year directors of the company were given advances of £993 (2015 - £2,687) by the company to cover expenses. Also, during the year payments were made on behalf of directors for personal expenses of £747 (2015 - £20,796) which have been repaid via deductions from salary. At the year end the amount due to the company was £120 (2015 - £309 debtor and £205 creditor). No interest is charged on the advances and credits.

### 16 Parent company

The immediate parent undertaking is Dantec Hose Limited and the intermediate parent undertaking is LCL Hose Limited. The ultimate parent undertaking is Elaflex-Gummi Ehlers GmbH.

There is no ultimate controlling party.