

Dantec Limited
FINANCIAL STATEMENTS
for the year ended
30 April 2012

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Dantec Limited

FINANCIAL STATEMENTS

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Dantec Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr D W Connolly

Mr J D Laidlaw

Mr J M Loach

REGISTERED OFFICE

Tarran Industrial Estate

Tarran Way

Moreton

Merseyside

CH46 4TL

AUDITOR

Baker Tilly UK Audit LLP

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Dantec Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Dantec Limited for the year ended 30 April 2012

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS

On 23 September 2011, the company's parent undertaking Dantec Hose Limited, was acquired by LCL Hose Limited. This entity is now the ultimate parent undertaking of the company.

General trading performance was consistent with the prior year performance and was therefore satisfactory. The loss for the period was as a result of the significant one-off costs associated with the group restructure.

It is anticipated that trading levels will remain satisfactory into the next financial year.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £206,743 (2011 - profit £343,288). Particulars of dividends paid are detailed in note 9 to the financial statements.

FINANCIAL INSTRUMENTS

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.

PRINCIPAL RISKS & UNCERTAINTIES

The principal risks and uncertainties facing the Group are outlined below.

Market conditions

The Group'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.

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 in virtually all overseas territories.

Interest Rate risk

The large majority of the Group's long-term borrowings are on fixed interest terms and as such our exposure to upward changes in interest rates is minimal.

Liquidity risk

The Group pays particular attention to management of cash flow. An Invoice Discounting facility is in place with RBS and this is used to fund routine working capital requirements. The available headroom in the facility is constantly monitored and reported.

Dantec Limited

DIRECTORS' REPORT

DIRECTORS

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

Mr D W Connolly	(Appointed 3 January 2012)
Mr J D Laidlaw	(Appointed 23 September 2011)
Mr J M Loach	(Appointed 23 September 2011)
Mr E J Davis	(Resigned 23 September 2011)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

Baker Tilly UK Audit LLP was appointed during the year and has indicated its willingness to continue in office.

On behalf of the board

Mr D W Connolly

Director



25/01/2013

Dantec Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 MEMBER OF DANTEC LIMITED

We have audited the financial statements on pages 6 to 17. 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

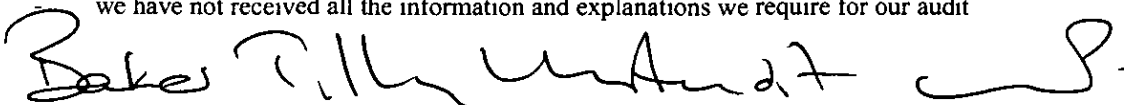
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



GEOFF WIGHTWICK (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

29.1.13

Dantec Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2012

		2012	2011
	<i>Notes</i>	£	£
TURNOVER	2	5,642,596	5,553,164
Cost of sales		(3,240,353)	(3,073,399)
Gross profit		2,402,243	2,479,765
Administrative expenses		(2,554,215)	(1,948,171)
Other operating income	3	—	1,081
OPERATING (LOSS)/PROFIT	4	(151,972)	532,675
Attributable to			
Operating profit before exceptional items		378,938	532,675
Exceptional items	4	(530,910)	—
		(151,972)	532,675
Interest receivable		2	—
		(151,970)	532,675
Interest payable and similar charges	7	(51,586)	(66,543)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(203,556)	466,132
Taxation	8	(3,187)	(122,844)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	20	(206,743)	343,288

The loss/profit for the year arises from the company's continuing operations


No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Dantec Limited**BALANCE SHEET**

30 April 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	10	<u>359,011</u>	<u>443,317</u>
CURRENT ASSETS			
Stocks	11	632,687	687,562
Debtors due within one year	12	932,489	1,161,522
Debtors due after one year	12	2,399,503	2,632,503
Cash at bank and in hand		5,443	94,436
		<u>3,970,122</u>	<u>4,576,023</u>
CREDITORS			
Amounts falling due within one year	13	(1,516,748)	(1,946,050)
NET CURRENT ASSETS		<u>2,453,374</u>	<u>2,629,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,812,385</u>	<u>3,073,290</u>
CREDITORS			
Amounts falling due after more than one year	14	(360,291)	(405,078)
PROVISIONS FOR LIABILITIES	17	(20,326)	(29,700)
		<u>2,431,768</u>	<u>2,638,512</u>
CAPITAL AND RESERVES			
Called up share capital	19	103,000	103,000
Share premium account	20	3,000	3,000
Capital reserve account	20	6,760	6,760
Profit and loss account	20	2,319,008	2,525,752
SHAREHOLDER'S FUNDS	21	<u>2,431,768</u>	<u>2,638,512</u>

The financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 25/1/13 and are signed on their behalf by


Mr D W Connolly
Director

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

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 2012 the group was utilising £428,474 of this facility.

The current economic conditions create uncertainty and the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

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.

These forecasts and projections show that the group is expected to be able to operate within the level of its current facilities based on the continued support of the group's bank and loan note holders.

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.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that parent company includes the subsidiary in its published financial statements.

TURNOVER

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

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.

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

1 ACCOUNTING POLICIES *(continued)*

DEPRECIATION

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

Freehold property	-	2% per annum straight line basis on buildings/land is not depreciated
Plant & machinery	-	20% per annum straight line basis
Fixtures & fittings	-	20% per annum straight line basis
Motor vehicles	-	25% per annum straight line 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.

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 at a constant rate of charge on the balance of capital repayments outstanding.

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 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.

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

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

1 ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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.

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	2012	2011
	£	£
United Kingdom	1,729,253	1,777,894
Overseas	3,913,343	3,775,270
	<u>5,642,596</u>	<u>5,553,164</u>

3 OTHER OPERATING INCOME

	2012	2011
	£	£
Grant income	<u>–</u>	<u>1,081</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

4 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	128,424	35,664
Depreciation of assets held under hire purchase agreements	14,372	14,791
Loss on disposal of fixed assets	7,321	4,580
Auditor's remuneration		
- as auditor	12,000	5,000
Net loss on foreign currency translation	16,975	22,661
Exceptional administrative expenses	<u>530,910</u>	<u>-</u>

Exceptional items include an intercompany loan write off following restructuring, and additional insurance taken out as part of the acquisition

During the year, the directors changed the depreciation rate at which a number of categories of fixed assets were depreciated from the reducing balance basis to straight line to reflect a more realistic estimate of the useful lives of these assets. The impact in the year has been to increase the loss before tax by £71,572

5 PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Factory and production	24	24
Sales and marketing	15	15
Office, management and administration	12	13
	<u>51</u>	<u>52</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	1,175,761	1,168,349
Social security costs	120,904	120,431
Staff pension costs	36,773	36,632
Directors' pension costs	15,306	77,599
	<u>1,348,744</u>	<u>1,403,011</u>

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	159,219	39,591
Value of company pension contributions to money purchase schemes	15,306	77,599
	<u>174,525</u>	<u>117,190</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

6 DIRECTORS' REMUNERATION *(continued)*

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

	2012	2011
	No	No
Money purchase schemes	<u>3</u>	<u>1</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	11,082	36,570
On hire purchase agreements	1,840	940
On other loans	38,664	29,033
	<u>51,586</u>	<u>66,543</u>

8 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2011 - 28%)	12,561	119,044
Total current tax	<u>12,561</u>	<u>119,044</u>
Deferred tax		
Origination and reversal of timing differences	(9,374)	3,800
Tax on (loss)/profit on ordinary activities	<u>3,187</u>	<u>122,844</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

8 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 28%), as explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	(203,556)	466,132
(Loss)/profit on ordinary activities by rate of tax	(40,711)	130,517
Effects of		
Expenses not deductible for tax purposes	55,502	12,112
Capital allowances for period in excess of depreciation	17,113	(6,641)
Tax chargeable at lower rates	-	(806)
Other short term timing differences	-	1,323
Marginal relief	-	(17,461)
Group relief	(19,343)	-
Total current tax (note 8(a))	12,561	119,044

9 DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid during the year		
Dividends on ordinary shares £- (2011 £-)	1	-

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 May 2011	336,432	364,918	76,401	40,975	818,726
Additions	22,159	6,077	11,835	31,485	71,556
Disposals	-	-	(1,195)	(17,155)	(18,350)
At 30 April 2012	358,591	370,995	87,041	55,305	871,932
Depreciation					
At 1 May 2011	69,138	230,695	60,297	15,279	375,409
Charge for the year	26,537	88,214	14,343	13,702	142,796
On disposals	-	-	(995)	(4,289)	(5,284)
At 30 April 2012	95,675	318,909	73,645	24,692	512,921
Net book value					
At 30 April 2012	262,916	52,086	13,396	30,613	359,011
At 30 April 2011	267,294	134,223	16,104	25,696	443,317

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

10 TANGIBLE FIXED ASSETS *(continued)*

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 £359,011 is £39,612 (2011 - £39,563) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £14,372 (2011 - £14,791)

11 STOCKS

	2012	2011
	£	£
Raw materials	302,649	304,755
Work in progress	42,707	39,014
Finished goods	287,331	343,793
	<u>632,687</u>	<u>687,562</u>

12 DEBTORS

	2012	2011
	£	£
Trade debtors	892,179	1,125,061
Amounts owed by group undertakings	2,399,503	2,632,503
Other debtors	23,574	31,349
Prepayments and accrued income	16,736	5,112
	<u>3,331,992</u>	<u>3,794,025</u>

The debtors above include the following amounts falling due after more than one year

	2012	2011
	£	£
Amounts owed by group undertakings	<u>2,399,503</u>	<u>2,632,503</u>

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

13 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	498,712	816,930
Trade creditors	612,391	781,826
Amounts owed to group undertakings	224,616	—
Corporation tax	12,561	119,044
PAYE and social security	41,258	—
VAT	—	37,327
Obligations under hire purchase agreements	21,969	18,913
Other creditors	6,643	9,047
Accruals and deferred income	98,598	162,963
	<u>1,516,748</u>	<u>1,946,050</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

13 CREDITORS Amounts falling due within one year *(continued)*

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

	2012	2011
	£	£
Bank loans and overdrafts	498,712	816,930
Hire purchase agreements	21,969	18,913
	<u>520,681</u>	<u>835,843</u>

Included in bank loans and overdrafts is an amount of £428,474 (2011 - £699,646) due to Royal Bank of Scotland Commercial Services plc which is secured by a charge on the trade debts of the company

14 CREDITORS Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans and overdrafts	350,024	396,980
Obligations under hire purchase agreements	10,267	8,098
	<u>360,291</u>	<u>405,078</u>

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

	2012	2011
	£	£
Bank loans and overdrafts	350,024	396,980
Hire purchase agreements	10,267	8,098
	<u>360,291</u>	<u>405,078</u>

Interest is charged on the bank loan at a fixed rate per annum of 7.75%. 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

	2012	2011
	£	£
Bank loans and overdrafts	<u>121,313</u>	<u>185,315</u>

15 CREDITORS - BANK LOANS

Creditors include bank loans which are due for repayment as follows

	2012	2011
	£	£
Amounts repayable		
In one year or less or on demand	46,956	43,180
In more than one year but not more than two years	50,679	46,956
In more than two years but not more than five years	178,032	164,709
In more than five years	121,313	185,315
	<u>396,980</u>	<u>440,160</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

16 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	21,969	18,913
Amounts payable between 2 to 5 years	10,267	8,098
	<u>32,236</u>	<u>27,011</u>

17 PROVISIONS FOR LIABILITIES

	Deferred taxation
	£
Balance brought forward	29,700
Profit and Loss Account movement arising during the year	(9,374)
Balance carried forward	<u>20,326</u>

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

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	20,326	30,900
Other timing differences	-	(1,200)
	<u>20,326</u>	<u>29,700</u>

18 RELATED PARTY TRANSACTIONS

Details of transactions with fellow group undertakings are not disclosed in these accounts as the company is a 100% sub-subsidiary of LCL Hose Limited and is included in the consolidated accounts of LCL Hose Limited

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

19 SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid 103,000 Ordinary shares of £1 each	<u>103,000</u>	<u>103,000</u>

Dantec Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2012

20 RESERVES

	Share premium account £	Capital reserve £	Profit and loss account £
Balance brought forward	3,000	6,760	2,525,752
Loss for the year	—	—	(206,743)
Equity dividends	—	—	(1)
Balance carried forward	<u>3,000</u>	<u>6,760</u>	<u>2,319,008</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
(Loss)/profit for the financial year	(206,743)	343,288
Equity dividends	(1)	—
Net (reduction)/addition to shareholder's funds	<u>(206,744)</u>	<u>343,288</u>
Opening shareholder's funds	2,638,512	2,295,224
Closing shareholder's funds	<u>2,431,768</u>	<u>2,638,512</u>

22 ULTIMATE PARENT COMPANY

Until September 2011 the immediate parent undertaking was DFH Hose Limited and the ultimate parent undertaking was Dantec Hose Limited. The ultimate controlling party was Mr E J Davis, who was a director and controlling shareholder of Dantec Hose Limited.

Following a group restructure in October 2011 the immediate parent undertaking is Dantec Hose Limited and the ultimate parent undertaking is LCL Hose Limited.

There is no ultimate controlling party.