

Registered number: 10637464

# DENEPP LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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**DENEPP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J S Clubb S W Clubb C Dring A M Fernyhough S J Gillan J J Lovett I Nash C A Reynolds
<b>Registered number</b>	10637464
<b>Registered office</b>	Church Hill Wilmington Dartford DA2 7DZ
<b>Independent auditor</b>	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

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**DENEPP LIMITED**

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## DENEER LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

The company acts as a holding company for J Clubb Limited and Mid Kent Concrete Limited, companies dedicated to the winning and processing of aggregates, production of ready mixed concrete and the transport and marketing of these materials.

#### Business review

The business has faced a difficult year of trading due to factors outside of its control with the ongoing uncertainties surrounding Brexit, poor weather at the beginning of 2020 and the onset of the Covid 19 crisis.

Although these issues have seen an overall decrease in demand and a resulting reduction in turnover, profitability has been maintained through good management and cost control.

The business remains cash positive with an overall increase in cash reserves and the Board continues to explore new investment opportunities to further enhance the Company position in the South East as a major aggregate producer.

The Covid 19 crisis continues to be of immediate concern although demand locally remains strong with housebuilding and much needed infrastructure projects being progressed and supported both locally and centrally by Government.

#### Principal risks and uncertainties

Any business faces a number of risks and these are reviewed thoroughly and regularly by the directors. This review considers only the principal risks and uncertainties that the company faces.


- i) Market volatility
- ii) Escalating energy and environmental costs
- iii) Continuing uncertainties regarding the impact of the Covid 19 pandemic

The directors feel confident of managing these risks and remain optimistic for the future as the company remains well placed to participate in major development opportunities.

#### Financial key performance indicators

- Turnover for the year has increased by 9% from £16.9 million to £15.4 million
- Gross profit as a percentage of turnover has decreased from 21.1% to 17.9%.
- Debtors days have increased from 61 days to 64 days in 2020.

This report was approved by the board on *25<sup>th</sup> September 2020* and signed on its behalf.

  
S W Clubb  
Director

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## DENEER LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £818,439 (2019 - £858,805).

Dividends were paid during the year amounting to £200,000 (2019 - £150,000).

#### Directors

The directors who served during the year were:

J S Clubb  
S W Clubb  
C Dring  
A M Fernyhough  
S J Gillan  
J J Lovett  
I Nash  
C A Reynolds

#### Financial instruments

The company has various financial instruments such as trade debtors which arise directly from operations. The company does not enter into derivative transactions. The main financial risks arising from the company's activities are credit risk, and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

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## DENEUP LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance, which requires the reasons for this decision to be explained.

The directors are acutely aware of the risks attached to the Covid 19 crisis in the preparation of these accounts on a going concern basis. The major variables are the depth and duration of Covid 19.

The directors considered the impact of the current Covid 19 environment on the business for the next 12 months, the viability period and the longer term. Whilst the situation evolves daily, making scenario planning difficult, we have considered a number of impacts on sales, profits and cash flows.

We have remained open throughout the crisis and have assumed we will continue to sell our products to the construction industry and meet the investment commitments in infrastructure and housing set out by government. Our order book remains strong into 2021 and output levels continue to improve as some sense of normality returns to the market. Geographically we are well placed to meet the demands of the South East region.

Our budgets for 2020/21 show a satisfactory outcome and improved position over these accounts and the directors are optimistic of this position. Longer term we see further recovery in markets generally with steady growth in 2021/22 and a stronger position in 2023.

The Board review the trading position of the business on a regular basis and respond quickly to any material changes. The objective at the start of the Covid 19 crisis was to remain cash positive throughout with strict cost control as demand reduced during lock down. The business took advantage of the Government furlough scheme but did not require any further financial assistance from its bank by way of loans or payment holidays on lease agreements. The financial objective has been met with cash reserves improving during the first quarter of the current financial year and the directors are confident these reserves will be more than adequate to continue its operations for the next 12 months and beyond.

The directors, therefore, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, based upon the directors forecasts, and believe the going concern basis of accounting is appropriate for preparing the annual financial statements.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

#### Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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**DENEER LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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This report was approved by the board on *25<sup>th</sup> September 2020* and signed on its behalf.



**S W Clabb**  
Director

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## DENEEP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF DENEEP LIMITED

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#### Opinion

We have audited the financial statements of Deneep Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group statement of comprehensive income, the Group and company balance sheets, the Group statement of cash flows, the Group and company statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 of the parent company's affairs as at 31 March 2020 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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



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**DENEER LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF DENEER LIMITED  
(CONTINUED)**

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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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group 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 group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**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 its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or 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 on page 2, 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.

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**DENEER LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF DENEER LIMITED  
(CONTINUED)**

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**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: [www.frc.org.uk/auditorsresponsibilities](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.

*Mark Anderson*

Mark Anderson (senior statutory auditor)

for and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: *15 October 2020*

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**DENEER LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Note	2020 £	2019 £
Turnover	4	15,390,062	16,916,099
Cost of sales		(12,634,132)	(13,778,329)
<b>Gross profit</b>		<b>2,755,930</b>	<b>3,137,770</b>
Administrative expenses		(1,600,097)	(1,636,824)
Exceptional administrative expenses	15	(168,761)	(397,338)
Other operating income	5	112,114	111,842
<b>Operating profit</b>	6	<b>1,099,186</b>	<b>1,215,450</b>
Income from associate interests		(59,300)	11,486
Interest receivable and similar income	10	16,101	4,740
Interest payable and expenses	11	(8,277)	(16,941)
Other finance income	12	(5,000)	(5,000)
<b>Profit before taxation</b>		<b>1,042,710</b>	<b>1,209,735</b>
Tax on profit	13	(224,271)	(350,930)
<b>Profit for the year</b>		<b>818,439</b>	<b>858,805</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		818,439	858,805
		<b>818,439</b>	<b>858,805</b>

The notes on pages 18 to 37 form part of these financial statements.

**DENEER LIMITED**  
**REGISTERED NUMBER: 10637464**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	16	12,682,369	13,148,988
Investments	17	267,375	326,675
		<u>12,949,744</u>	<u>13,475,663</u>
<b>Current assets</b>			
Stocks	18	955,438	723,954
Debtors	19	4,016,459	5,018,582
Cash at bank and in hand	20	3,640,663	3,339,369
		<u>8,612,560</u>	<u>9,081,905</u>
Creditors: amounts falling due within one year	21	(3,311,498)	(4,706,669)
		<u>5,301,062</u>	<u>4,375,236</u>
<b>Net current assets</b>		<u>5,301,062</u>	<u>4,375,236</u>
<b>Total assets less current liabilities</b>		<u>18,250,806</u>	<u>17,850,899</u>
Creditors: amounts falling due after more than one year	22	(78,953)	(400,872)
<b>Provisions for liabilities</b>			
Deferred taxation	23	(1,923,108)	(1,712,426)
		<u>(1,923,108)</u>	<u>(1,712,426)</u>
Pension liability		(58,820)	(180,593)
<b>Net assets</b>		<u>16,189,925</u>	<u>15,557,008</u>
<b>Capital and reserves</b>			
Called up share capital	24	240,010	240,010
Revaluation reserve	25	5,941,456	6,052,801
Other reserves	25	5,745	5,745
Profit and loss account	25	10,002,714	9,258,452
<b>Equity attributable to owners of the parent company</b>		<u>16,189,925</u>	<u>15,557,008</u>
		<u>16,189,925</u>	<u>15,557,008</u>

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**DENEPP LIMITED**  
**REGISTERED NUMBER: 10637464**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*25<sup>th</sup> September 2020*

  
**S W Clubb**  
Director

The notes on pages 18 to 36 form part of these financial statements.

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**DENEPP LIMITED**  
**REGISTERED NUMBER: 10637464**

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**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

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	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	17	480,020	480,020
		<u>480,020</u>	<u>480,020</u>
<b>Total assets less current liabilities</b>		<b>480,020</b>	<b>480,020</b>
<b>Net assets</b>		<u><b>480,020</b></u>	<u><b>480,020</b></u>
<b>Capital and reserves</b>			
Called up share capital	24	240,010	240,010
Profit and loss account		240,010	240,010
		<u><b>480,020</b></u>	<u><b>480,020</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*25th September 2020*

  
S W Clubb  
Director

The notes on pages 18 to 36 form part of these financial statements.

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**DENEER LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2019	240,010	6,052,801	5,745	9,258,452	15,557,008
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	818,439	818,439
Actuarial gains on pension scheme	-	-	-	125,823	125,823
Deferred tax movement on revalued fixed assets	-	(111,345)	-	-	(111,345)
<b>Total comprehensive income for the year</b>	-	(111,345)	-	944,262	832,917
Dividends: Equity capital	-	-	-	(200,000)	(200,000)
<b>Total transactions with owners</b>	-	-	-	(200,000)	(200,000)
<b>At 31 March 2020</b>	<b>240,010</b>	<b>5,941,456</b>	<b>5,745</b>	<b>10,002,714</b>	<b>16,189,925</b>

The notes on pages 18 to 37 form part of these financial statements.

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**DENEEP LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

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	Called up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	240,010	6,585,350	5,745	7,972,824	14,803,929
<b>Comprehensive Income for the year</b>					
Profit for the year	-	-	-	858,805	858,805
Actuarial losses on pension scheme	-	-	-	(51,460)	(51,460)
Reserves movement on disposal of fixed assets net of deferred tax previously recognised	-	(532,549)	-	628,283	95,734
<b>Total comprehensive Income for the year</b>	-	(532,549)	-	1,435,628	903,079
Dividends: Equity capital	-	-	-	(150,000)	(150,000)
<b>Total transactions with owners</b>	-	-	-	(150,000)	(150,000)
<b>At 31 March 2019</b>	<b>240,010</b>	<b>6,052,801</b>	<b>5,745</b>	<b>9,258,452</b>	<b>15,557,008</b>

The notes on pages 18 to 37 form part of these financial statements.



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**DENEER LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Called up share capital £	Profit and loss account £	Total equity
<b>At 1 April 2018</b>	<b>240,010</b>	<b>240,010</b>	<b>480,020</b>
Profit for the year	-	<b>150,000</b>	<b>150,000</b>
Dividends: Equity capital	-	<b>(150,000)</b>	<b>(150,000)</b>
<b>At 1 April 2019</b>	<b>240,010</b>	<b>240,010</b>	<b>480,020</b>
Profit for the year	-	<b>200,000</b>	<b>200,000</b>
Dividends: Equity capital	-	<b>(200,000)</b>	<b>(200,000)</b>
<b>At 31 March 2020</b>	<b>240,010</b>	<b>240,010</b>	<b>480,020</b>

The notes on pages 18 to 37 form part of these financial statements.

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**DENEER LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	818,439	858,805
<b>Adjustments for:</b>		
Depreciation of tangible assets	729,934	765,368
Loss on disposal of tangible assets	-	(25,700)
Interest paid	8,277	16,941
Interest received	(16,101)	(4,740)
Taxation charge	224,271	350,930
(Increase) in stocks	(231,484)	(29,843)
Decrease/(increase) in debtors	1,002,123	(1,883,396)
(Decrease)/increase in creditors	(1,316,181)	1,330,063
Increase in net pension assets/liabs	121,773	18,640
Corporation tax (paid)	(236,275)	(238,758)
<b>Net cash generated from operating activities</b>	<b>1,104,776</b>	<b>1,158,310</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(263,315)	(363,774)
Sale of tangible fixed assets	-	969,900
Interest received	16,101	4,740
<b>Net cash from investing activities</b>	<b>(247,214)</b>	<b>610,866</b>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(347,991)	(314,585)
Dividends paid	(200,000)	(150,000)
HP interest paid	(8,277)	(16,941)
<b>Net cash used in financing activities</b>	<b>(556,268)</b>	<b>(481,526)</b>
<b>Net increase in cash and cash equivalents</b>	<b>301,294</b>	<b>1,287,650</b>

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**DENEER LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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	2020 £	2019 £
Cash and cash equivalents at beginning of year	3,339,369	2,051,719
<b>Cash and cash equivalents at the end of year</b>	<u><u>3,640,663</u></u>	<u><u>3,339,369</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,640,663	3,339,369
	<u><u>3,640,663</u></u>	<u><u>3,339,369</u></u>

The notes on pages 18 to 37 form part of these financial statements.

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**DENEER LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2020**

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	<b>At 1 April 2019 £</b>	<b>Cash flows £</b>	<b>At 31 March 2020 £</b>
Cash at bank and in hand	<b>3,339,369</b>	<b>301,294</b>	<b>3,640,663</b>
Finance leases	<b>(711,065)</b>	<b>339,715</b>	<b>(371,350)</b>
	<b><u>2,628,304</u></b>	<b><u>641,009</u></b>	<b><u>3,269,313</u></b>

The notes on pages 18 to 37 form part of these financial statements.

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## DENEER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Deneer Limited is a private limited company incorporated in England and Wales (registration number 10637464).

Its principal activity of the group is that of the winning and processing of aggregates, production of ready mixed concrete and the transport and marketing of these materials.

Its registered address and principal place of business is at:-

Church Hill  
Wilmington  
Dartford  
DA2 7DZ

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate for the reasons outlined in the directors report.

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

In 2017 the company issued 480,020 shares as consideration for the entire share capital in J Clubb Holdings. The entity was under common control and, therefore, the reorganisation was accounted for using the merger accounting principles set out in Section 19 of Financial Reporting Standard 102.

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## DENEER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings and joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

##### 2.4 Revenue

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on delivery of the product to the customer.

Rental income is recognised when payments are due in accordance with the lease agreement.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Freehold property and land was previously included in the financial statements at fair value using the revaluation method. On conversion to FRS 102, the directors took the option available to use the revalued amounts on conversion to FRS 102 as the deemed cost and use the cost model thereafter.

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## DENEER LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line on buildings (land is not depreciated)
Plant & machinery	- 2-35% straight line
Motor vehicles	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.6 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.10 Financial Instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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## DENEUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.14 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

###### Defined benefit pension plan

The company operates a defined benefit pension scheme and the assets are held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately within reserves.

##### 2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.



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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.16 Leased assets: the Group as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.17 Interest Income**

Interest income is recognised in profit or loss using the effective interest method.

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.19 Exceptional Items**

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

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**DENEPP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**3. Judgements In applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- i) assumptions used in calculating the present value of the defined benefit pension scheme liability determined by the pensions actuary.
- ii) Determine the recoverability of trade receivables via regular review in the light of the available economic information specific to each receivable with specific provisions recognised for balances considered to be irrecoverable.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Processing of aggregates and ready mix concrete	15,390,062	16,916,099
	<u>15,390,062</u>	<u>16,916,099</u>

All turnover arose within the United Kingdom.

**5. Other operating income**

	2020 £	2019 £
Ground rent receivable	49,114	48,842
Service charge receivable	63,000	63,000
	<u>112,114</u>	<u>111,842</u>

**6. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	145,767	94,417
Depreciation of tangible fixed assets - owned assets	442,284	409,456
Depreciation of tangible fixed assets - financed assets	287,650	355,912
	<u>875,701</u>	<u>859,785</u>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**7. Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u><b>23,295</b></u>	<u><b>22,620</b></u>
Taxation compliance services	<b>4,635</b>	<b>4,085</b>
All other services	<u><b>22,445</b></u>	<u><b>31,465</b></u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group</b>	<b>Group</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,075,030</b>	<b>2,085,371</b>
Social security costs	<b>225,921</b>	<b>225,114</b>
Cost of defined contribution scheme	<b>133,773</b>	<b>127,781</b>
	<u><b>2,434,724</b></u>	<u><b>2,438,266</b></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Office management	<b>17</b>	<b>19</b>
Production	<b>39</b>	<b>39</b>
	<u><b>56</b></u>	<u><b>58</b></u>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	376,787	371,920
	<u>376,787</u>	<u>371,920</u>

The highest paid director received remuneration of £167,967 (2019 - £165,421).

**10. Interest receivable**

	2020 £	2019 £
Other interest receivable	16,101	4,740
	<u>16,101</u>	<u>4,740</u>

**11. Interest payable and similar expenses**

	2020 £	2019 £
Finance leases and hire purchase contracts	8,277	16,941
	<u>8,277</u>	<u>16,941</u>

**12. Other finance costs**

	2020 £	2019 £
Net interest on net defined benefit liability	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

**DENEER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**13. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	253,094	363,636
Adjustments in respect of previous periods	(127,210)	(14,311)
<b>Total current tax</b>	<b>125,884</b>	<b>349,325</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,804)	(4,685)
Changes to tax rates	64,616	-
Adjustments in respect of prior periods	45,525	-
Deferred tax re pension scheme	(950)	6,290
<b>Total deferred tax</b>	<b>98,387</b>	<b>1,605</b>
<b>Taxation on profit on ordinary activities</b>	<b>224,271</b>	<b>350,930</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,042,710	1,209,735
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	198,115	229,850
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	30,209	114,580
Adjustments to tax charge in respect of prior periods	(81,685)	(14,311)
Ineligible depreciation	1,749	1,765
Adjust opening deferred tax to average rate of 19.00%	75,883	-
Capital gains	-	19,046
<b>Total tax charge for the year</b>	<b>224,271</b>	<b>350,930</b>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**14. Dividends**

	2020 £	2019 £
Ordinary shares	<u>200,000</u>	<u>150,000</u>

**15. Exceptional items**

	2020 £	2019 £
Legal fees	168,761	697,338
Income from land option agreement	-	(300,000)
	<u>168,761</u>	<u>397,338</u>

Exceptional costs in the current year are one-off legal fees in relation to the restructuring which has continued from the prior year. The exceptional income received in the prior year is from an option agreement to sell a piece of land to a 3rd party.

**DENEER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Tangible fixed assets**

**Group**

	Freehold property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	8,132,898	9,032,740	1,922,205	19,087,843
Additions	-	263,315	-	263,315
Disposals	-	-	(26,465)	(26,465)
At 31 March 2020	<u>8,132,898</u>	<u>9,296,055</u>	<u>1,895,740</u>	<u>19,324,693</u>
<b>Depreciation</b>				
At 1 April 2019	7,803	4,646,365	1,284,687	5,938,855
Charge for the year on owned assets	-	346,704	95,580	442,284
Charge for the year on financed assets	-	156,046	131,604	287,650
Disposals	-	-	(26,465)	(26,465)
At 31 March 2020	<u>7,803</u>	<u>5,149,115</u>	<u>1,485,406</u>	<u>6,642,324</u>
<b>Net book value</b>				
At 31 March 2020	<u>8,125,095</u>	<u>4,146,940</u>	<u>410,334</u>	<u>12,682,369</u>
At 31 March 2019	<u>8,125,095</u>	<u>4,386,375</u>	<u>637,518</u>	<u>13,148,988</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	156,046	372,143
Motor vehicles	131,604	328,979
	<u>287,650</u>	<u>701,122</u>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**17. Fixed asset investments**

**Group**

	<b>Investments in associates £</b>
<b>Cost or valuation</b>	
At 1 April 2019	326,675
Additions	(59,300)
At 31 March 2020	<u>267,375</u>

Hye Oak Limited is a company jointly owned by J Clubb Limited and Mr John Saunders. Both parties hold 50% of the company's share capital which consists of 100 £1 ordinary shares.

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2019	480,020
At 31 March 2020	<u>480,020</u>



**DENEER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**17. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
J Clubb Limited	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%
Mid-Kent Concrete Limited	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%
Chantilly Lace Holdings Limited	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%
J Clubb & Son Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%
Clubbs Estates Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%
Clubbs Washed Gravel Company Limited (dormant)	Church Hill, Wilmington, Dartford, Kent, DA2 7DZ	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(Loss) £</b>
J Clubb Limited	16,310,612	845,923
Mid-Kent Concrete Limited	56,165	13,754
Chantilly Lace Holdings Limited	1,670,950	20,676
J Clubb & Son Limited (dormant)	50,000	-
Clubbs Estates Limited (dormant)	50,000	-
Clubbs Washed Gravel Company Limited (dormant)	12,000	-

**18. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Raw materials and consumables	114,372	74,046
Work in progress (goods to be sold)	8,208	8,040
Finished goods and goods for resale	832,858	641,868
	<b>955,438</b>	<b>723,954</b>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**19. Debtors**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
<b>Due after more than one year</b>		
Other debtors	84,695	84,695
	<u>84,695</u>	<u>84,695</u>
<b>Due within one year</b>		
Trade debtors	2,707,980	2,840,791
Amounts owed by associated undertakings	659,504	662,996
Other debtors	408,549	1,277,155
Prepayments and accrued income	155,731	152,945
	<u>4,016,459</u>	<u>5,018,582</u>

**20. Cash and cash equivalents**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Cash at bank and in hand	3,640,663	3,339,369
	<u>3,640,663</u>	<u>3,339,369</u>

**21. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Trade creditors	2,107,836	2,863,105
Corporation tax	116,265	349,325
Other taxation and social security	517,930	651,979
Obligations under finance lease and hire purchase contracts	292,397	310,192
Other creditors	38,015	38,388
Accruals and deferred income	239,055	493,680
	<u>3,311,498</u>	<u>4,706,669</u>

Amounts due under finance lease and hire purchase agreements are secured against the related assets.

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**22. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Net obligations under finance leases and hire purchase contracts	78,953	400,872
	<u>78,953</u>	<u>400,872</u>

**23. Deferred taxation**

**Group**

	<b>2020 £</b>	<b>2019 £</b>
At beginning of year	(1,712,426)	(1,812,845)
Charged to profit or loss	(99,337)	4,685
Movements in deferred tax on revalued properties recognised in reserves	(111,345)	95,734
<b>At end of year</b>	<u><b>(1,923,108)</b></u>	<u><b>(1,712,426)</b></u>

The provision for deferred taxation is made up as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Accelerated capital allowances	(604,589)	(506,708)
Short term timing differences	1,538	2,995
Deferred tax relating to revaluation of tangible assets	(1,320,057)	(1,208,713)
	<u>(1,923,108)</u>	<u>(1,712,426)</u>

**24. Share capital**

	<b>2020 £</b>	<b>2019 £</b>
<b>Allotted, called up and fully paid</b>		
240,010 (2019 - 240,010) Ordinary shares of £1.00 each	<u>240,010</u>	<u>240,010</u>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**25. Reserves**

**Revaluation reserve**

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.

**Profit & loss account**

This reserve records the amount of accumulated profits/losses since incorporation less any distributions to shareholders.

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**26. Pension commitments**

The Group operates a defined benefit pension scheme.

The amounts in the financial statements relating to pensions are based on a full actuarial valuation dated 6 April 2017 updated to 31 March 2020 for the purpose of FRS 102. Since the scheme is closed to new entrants, under the Projected Unit Method (the method of valuation specified for the purpose of FRS 102), the current service costs will increase as members of the scheme approach retirement.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	4,391,000	4,535,000
Current service cost	94,000	103,000
Interest income	5,000	5,000
Actuarial gains/losses	(269,000)	213,000
Benefits paid	(133,000)	(465,000)
<b>At the end of the year</b>	<b>4,088,000</b>	<b>4,391,000</b>

Reconciliation of present value of plan assets:

	2020 £	2019 £
At the beginning of the year	4,174,000	4,343,000
Interest income	94,000	103,000
Actuarial gains/losses	(119,000)	151,000
Contributions	-	42,000
Benefits paid	(133,000)	(465,000)
<b>At the end of the year</b>	<b>4,016,000</b>	<b>4,174,000</b>

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**26. Pension commitments (continued)**

Composition of plan assets:

	2020 £	2019 £
UK Equities	176,000	250,000
Global Equities	1,080,000	1,006,000
Property	588,000	598,000
Corporate bonds	311,000	158,000
Secured annuities	78,000	85,000
Cash and other	101,000	25,000
Cash and other	991,000	1,369,000
Diversified growth assets	691,000	683,000
	<hr/>	<hr/>
<b>Total plan assets</b>	<b>4,016,000</b>	<b>4,174,000</b>
	<hr/> <hr/>	<hr/> <hr/>
	2020 £	2019 £
Fair value of plan assets	4,016,000	4,174,000
Present value of plan liabilities	(4,088,000)	(4,391,000)
Related deferred tax	13,180	36,407
	<hr/>	<hr/>
<b>Net pension scheme liability</b>	<b>(58,820)</b>	<b>(180,593)</b>
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in profit or loss are as follows:

	2020 £	2019 £
Interest on obligation	(5,000)	(5,000)
	<hr/>	<hr/>
<b>Total</b>	<b>(5,000)</b>	<b>(5,000)</b>
	<hr/> <hr/>	<hr/> <hr/>

**DENEER LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**26. Pension commitments (continued)**

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(4,088,000)	(4,391,000)	(4,535,000)	(6,505,000)	(5,652,000)
Scheme assets	4,016,000	4,174,000	4,343,000	5,771,000	5,168,000
<b>Deficit</b>	<b>(72,000)</b>	<b>(217,000)</b>	<b>(192,000)</b>	<b>(734,000)</b>	<b>(484,000)</b>

**27. Commitments under operating leases**

At 31 March 2020 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	135,835	82,979
Later than 1 year and not later than 5 years	543,342	256,977
Later than 5 years	196,719	123,135
	<b>875,896</b>	<b>463,091</b>

**28. Related party transactions**

During the prior year the group sold land to EEM Limited for a consideration of £1,280,905. As at 31 March 2020 the group was owed £33,487 (2019: £980,905) by EEM Limited, a company in which Simon Clubb is a shareholder.

At the year end the group was owed £277,869 (2019 - £209,470) by Hye Oak Limited. 50% of the share capital is owned by J Clubb Limited. Sales to this company amounted to £1,404,774 (2019 - £1,452,266). Purchases from this company were £243 (2019 - £70).

At the year end the group was owed £84,695 (2019 - £84,695) by Darenth Developments Limited, a company under common control.

At the year end the group owed £905 (2019 - £2,424) to J Clubb Investments (2007) Limited, a company under common control.

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**DENEER LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**29. Audit exemption subsidiary**

The following subsidiary has taken exemption from the Companies Act 2006 relating to statutory audit of their individual financial statements by virtue of Section 479a of the act:

Mid Kent Concrete Limited

**30. Controlling party**

There is no ultimate controlling party.