

Company Registration No. 01237248 (England and Wales)

**DUO MANUFACTURING LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 29 JUNE 2019**  
**PAGES FOR FILING WITH REGISTRAR**

# DUO MANUFACTURING LTD

## CONTENTS

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	Page
Balance sheet	1
Notes to the financial statements	2 - 8

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# DUO MANUFACTURING LTD

## BALANCE SHEET

AS AT 29 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	4		526,655		44,614
<b>Current assets</b>					
Stocks		1,110,358		451,783	
Debtors	5	3,225,234		2,371,847	
Cash at bank and in hand		303,284		98	
		<u>4,638,876</u>		<u>2,823,728</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(4,500,026)</u>		<u>(2,698,675)</u>	
<b>Net current assets</b>			138,850		125,053
<b>Total assets less current liabilities</b>			<u>665,505</u>		<u>169,667</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(224,562)		-
<b>Provisions for liabilities</b>			-		(5,000)
<b>Net assets</b>			<u>440,943</u>		<u>164,667</u>
<b>Capital and reserves</b>					
Called up share capital	9		31,200		31,200
Profit and loss reserves			409,743		133,467
<b>Total equity</b>			<u>440,943</u>		<u>164,667</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 20 August 2019 and are signed on its behalf by:

Mr L Doran  
**Director**

**Company Registration No. 01237248**

# DUO MANUFACTURING LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 JUNE 2019

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### 1 Accounting policies

#### Company information

Duo Manufacturing Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 4 Rye Hill Office Park, Birmingham Road, Allesley, Coventry, CV5 9AB.

#### 1.1 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.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

#### 1.3 Turnover

Turnover represents the total sales value of completed work in progress and sale of finished goods during the year and appropriate proportion of work in progress projects. Value added tax is excluded from turnover.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at cost incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represents turnover recognised in excess of payments on account.

Payments on account in excess of amounts matched with turnover and offset against long-term contract balances are separately disclosed within creditors.

#### 1.4 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:

Land and buildings Freehold	15% straight line
Plant and machinery	10% - 15% straight line
Motor vehicles	33% straight line

# DUO MANUFACTURING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2019

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### 1 Accounting policies

(Continued)

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.

#### 1.5 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.

#### 1.6 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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

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

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

# DUO MANUFACTURING LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 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.

#### 1.11 Leases

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

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# **DUO MANUFACTURING LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 29 JUNE 2019**

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### **2 Judgements and key sources of estimation uncertainty**

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

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

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### **Long-term contracts**

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover of such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at cost incurred, less those transferred to the profit and loss account after deducting foreseeable losses and payments in account not matched with turnover.

### **3 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 30 (29 June 2018 - 20).

## DUO MANUFACTURING LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2019

#### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 30 June 2018	-	557,843	557,843
Additions	53,476	518,765	572,241
At 29 June 2019	53,476	1,076,608	1,130,084
<b>Depreciation and impairment</b>			
At 30 June 2018	-	513,229	513,229
Depreciation charged in the year	813	89,387	90,200
At 29 June 2019	813	602,616	603,429
<b>Carrying amount</b>			
At 29 June 2019	52,663	473,992	526,655
At 29 June 2018	-	44,614	44,614

The net book value of other tangible fixed assets includes £414,638 (29 June 2018 - £5,714) in respect of assets held under finance lease or hire purchase contracts. The depreciation change in respect of such assets amounted to £78,641 (29 June 2018 - £7,617) for the year.

#### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	126,517	243,822
Other debtors	3,098,717	2,128,025
	3,225,234	2,371,847



## DUO MANUFACTURING LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2019

**6 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	878,508	477,601
Amounts owed to group undertakings	904,506	191,600
Corporation tax	-	(31,836)
Other taxation and social security	112,558	87,000
Other creditors	2,604,454	1,974,310
	<u>4,500,026</u>	<u>2,698,675</u>

Included with other creditors are net obligations under hire purchase contract amounting to £134,109 (29 June 2018 - £4,528) that are secured on the assets to which they relate.

**7 Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	224,562	-
	<u>224,562</u>	<u>-</u>

Included with other creditors are net obligations under hire purchase contract amounting to £224,562 (29 June 2018 - £Nil) that are secured on the assets to which they relate.

**8 Provisions for liabilities**

	2019 £	2018 £
Deferred tax liabilities	-	5,000
	<u>-</u>	<u>5,000</u>

**9 Called up share capital**

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
31,200 Ordinary shares of £1 each	31,200	31,200
	<u>31,200</u>	<u>31,200</u>

## DUO MANUFACTURING LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 JUNE 2019

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#### 10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Paul Tonks BSc (Econ) FCA.  
The auditor was Edwards.

#### 11 Operating lease commitments

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

	2019 £	2018 £
Total commitment	22,116	27,371

#### 12 Related party transactions

At 29 June 2018, the company traded with a number of related companies as noted below:

During the year, the company made sales of £545,633 (29 June 2018 - £1,793,120) to these companies and made purchases, was charged rents and management charges of £1,037,777 (29 June 2018 - £255,582) from these companies.

At 29 June 2019, the company was owed £1,150,736 (29 June 2018 - £447,391) from and owed £1,546,139 (29 June 2018 - £635,474) to these companies.

#### 13 Parent company

At 29 June 2018 the immediate parent undertaking was LJH Holdings Limited and the ultimate parent undertaking was AM Services (UK) Limited.

On 9 July 2018, AM Services (UK) Limited sold its investment in LJH Holdings Limited and from that date the company's ultimate parent undertaking is Duo Group Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.