Duality Group Limited

Annual Report and Financial Statements

Year Ended

31 March 2018

Company Number 10236858

Duality Group Limited

Company Information

Directors	S Maclean M D Holmes A M Byrne M Donnelly
Registered number	10236858
Registered office	Unit 19 Hurricane Court Hurricane Drive Liverpool International Business Park Liverpool England L24 8RL
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Duality Group Limited

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Duality Group Limited

Group strategic report
For the year ended 31 March 2018

The directors present their strategic report together with the audited financial statements for year ended 31 March 2018. The prior year comparatives represent the 41 week period from incorporation to 31 March 2017.

The principal activity of the company is that of a holding company. Duality Group Limited is aiming to build a group offering a range of complementary energy related services

Review of business and post statement of financial position events

Dyson Energy Services Limited ('DESL' or 'Dyson')

DESL made a loss in the period of £2.7m (2017 - £3.5m). This was principally due to trading conditions in the energy efficiency market being adversely affected by government policy decisions under the Energy Company Obligation ("ECO") to reduce the volumes of available subsidies and alter the basis of the subsidies (certain aspects) for insulation and heating measures which began to have a negative impact on the business prior to and in the financial period. The majority of the company's ECO customers had completed their ECO 2 measures significantly ahead of the 31 March 2017 end to the obligation period. DESL anticipated a prompt start to the next obligation period, which did not happen (ECO 2T commenced 1 April 2017 – implemented government policy led to a shorter-term extension rather than a longer-term period). October 2018 saw the commencement of ECO 3, a 42 month obligation period running to March 2022, which is positive for the business, enabling longer-term planning. The emphasis of the scheme relies heavily on insulation. Dyson Energy Services Limited is well-placed to take advantage of volumes from its customer base under ECO3.

As part of the acquisition by Duality Group Limited in November 2016, funds were provided to DESL to enable it to implement a restructuring plan and to provide additional working capital. As described above, the changes in the business environment meant the restructuring process had to continue into the year under review and to do so to a deeper level.

However, because of the developments in the ECO market outlined above, the pressures on cash increased in Q2 and Q3 in calendar year 2017. Dyson, through open dialogue, maintained the support of its funders for DESL's plans and continued to implement its deeper restructuring plan. The board of DESL appointed professional advisers to look at its financial forecasts and cash flows. The board of DESL believed that all stakeholders in the business would be better placed by allowing DESL some time to conclude its restructuring plan. To do this, the board sought to enter into a court-approved arrangement with its creditors (a Creditors' Voluntary Arrangement ("CVA")) and, having discussed its plans with its major creditors, a vote of the creditors took place and was approved on 14 December 2017.

DESL remains committed to the ECO industry but continues to develop its other non-ECO areas of business in the new build construction, repair & maintenance and distribution & specialist products divisions. Towards the end of the financial year under review, DESL has achieved considerable success in all these areas and continues to place emphasis on this. This has flowed through into the financial year that will end on 31 March 2019, with DESL returning to a modest level of profitability.

MIMA Enterprises (UK) Limited ('MIMA')

After the 2018 year end, on 29 August 2018, Duality Group Limited acquired MIMA Enterprises (UK) Limited, a holding company of two trading businesses, Gas Call Services Limited ('GCS') and Gas Educational Training (Glasgow) Limited ('GET') As part of the acquisition, one of the vendors, Mike Donnelly has joined the board of Duality Group Limited.

Post-completion, GCS and GET are trading in-line with forecasts. The entire MIMA Enterprises (UK) Limited group is based, and operates, in Scotland. Gas Call provides gas maintenance, gas servicing and heating installation services to Scottish Registered Social Landlords (Housing Associations and Councils). Gas Educational provides training courses for students wanting to work in the gas and electrical fields as well as students or existing workers whose job involves working-at-height. In its most recent financial year to 30 April 2018, the MIMA Enterprises (UK) Limited group has combined turnover of £9.4m.

Future Developments

Despite a difficult period for the group, the principal trading entity, DESL, still has several contracts in place with energy companies to install both insulation and heating measures with positive discussions having been concluded for ECO 3. DESL's trading in 2018, i.e. post-CVA, has been relatively positive with DESL posting modest profits after January 2018. This has been achieved despite having supply restrictions from its major supplier, which, at short notice, announced to its customers, including DESL, the closure in early 2018 of one of its production lines so the facility could be refurbished with all customers experiencing a degree of rationing of materials.

Contracts have also been agreed with a range of customers including major contractors, social landlords and local authorities to carry out remedial insulation work on their properties where previous companies have failed to carry out the original work to the required standard. Also, positive discussions have taken place with customers regarding ECO 3 which commenced on 1 October 2018. The board are optimistic about continuing DESL's progress with the business better positioned to react to changes in the ECO market.

DESL is looking at developing new digital marketing campaigns to assist growth of our range of heating products to domestic customers.

The directors continue to explore other acquisition opportunities in the energy efficiency and contracting sectors where it can create greater scale in its operations and also bring technology to the acquired businesses to improve efficiency and margins.

Summary of results

The group made a loss of £2,590,000 for the year ended 31 March 2018 (41 weeks ended 31 March 2017 - £2,814,000).

A summary of the group's key performance indicators are set out below:

	Year ended 31 March 2018 £000	**41 weeks ended 31 March 2017 £000**
Turnover	**12,914**	7,034
Net loss before tax	**(2,590)**	(2,802)
Net current liabilities	**(3,960)**	(4,190)
Net liabilities	**(5,404)**	(2,814)
Number of employees at 31 March	**177**	268

Principal risks and uncertainties and going concern

There are several potential risks and uncertainties which could have a material impact on the business and its financial performance. There are no specific material uncertainties of which we are aware other than those identified, monitored and reported at board level and shown below:

- Market and regulatory conditions - the group is exposed to changes in the level of activity from its core customer base and from its customers' Regulator (under ECO), OFGEM, which in turn is affected by government policy. A key policy is the Energy Company Obligation ("ECO"), which is now in its third phase (ECO 3, a 42 months obligation period, which commenced on 1 October 2018). Reacting quickly to changes in the Regulatory environment is essential to the business and failure to do so could expose the group to a loss of business and / or reduction in profit. The general economic climate and both business and consumer confidence could also affect the business adversely;
- Competition - while the group's principle subsidiary,Dyson, is a leading national insulation and heating installation business with a strong reputation with its customers, pressures from competitors may erode its margins;
- Quality, Health and Safety - the group operates in a technical sector using specialised equipment which must be adequately maintained and operated correctly. Failure to do so could expose the group to losses or fines arising from injury to employees or the public. The group also operates in a regulated industry sector, i.e. the utility sector, and is contractually obligated to operate its business in defined ways. Not complying with set processes would expose the business to fines and potential losses arising from such a breach. The group undertakes a risk assessment process prior to all installations and a pre and post installation inspection is also carried out. In addition, third party inspections at a level of 20% are also carried out on a quarterly basis;
- Debt - the group had net debt of £2.2m excluding intercompany balances (41 weeks ended 31 March 2017 - £2.5 excluding intercompany balances) and must manage the potential interest rate risks, counter party credit risk and operate within its facilities/lending agreements. The support provided by the shareholders remains of vital importance in allowing the group to manage these risks;

  * Net debt comprises other loans, invoice discounting, obligations under finance lease and hire purchase contracts less cash at bank and in hand.

- Working Capital and Cash Management - the management of working capital is fundamental to maintaining adequate head room under Dyson's invoice discounting facility and allowing the group to trade with its supplier base/stakeholders. This is exacerbated during contractions in the business, as experienced during the year under review. The ability to manage working capital is particularly relevant as while long term facilities are in place to January 2020, Dyson had been operating until December 2018 with an agreed borrowing level in excess of the originally agreed facilities, however, Dyson has recently agreed a formal and staged return to the level in the originally agreed facilities with this to occur by August 2019; and
- Real Property Facility - the £0.6m of additional short term funding provided to DESL by its invoice discounting provider in February 2018 had been formally extended on further short term extensions until December 2018, when the group negotiated and agreed with its invoice discounting funder to change the £0.6m short-term funding in Dyson into a Real Property Facility with a three year term with fixed monthly repayments.

Having taken all of the above factors into consideration, the directors have reached a conclusion that the group is able to manage their business risks and operate within existing and future funding facilities for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Summary

In summary, the group has experienced a challenging year.

However, DESL has negotiated contracts with the energy companies for ECO 3 and combined with the development of growth in our remedial and maintenance division, recent successes in securing work on a number of framework agreements and the time provided by the CVA to conclude the necessary restructuring of the business, this has enabled the group to return to making modest profits after January 2018. Further, the acquisition of the MIMA group by the group is a very positive addition to the group and will be reflected in the financial year ended 31 March 2019 (the group will consolidate 7 months' results).

This report was approved by the board on 20 DECEMBER 2018 and signed on its behalf.

M D Holmes
Director

Directors' report
For the year ended 31 March 2018

The directors present their report together with the audited financial statements for the year ended 31 March 2018. The prior year comparatives represent the 41 week period from incorporation to 31 March 2017.

Results and dividends

The loss for the year, after taxation, amounted to £2,590,000 (41 weeks ended 31 March 2017 - loss £2,814,000).

During the year ended 31 March 2018 there were no dividends paid (41 weeks ended 31 March 2017 - £Nil). The directors do not propose a dividend to be paid (41 weeks ended 31 March 2017 - £Nil).

Directors

The directors who served during the year were:

S Maclean
M D Holmes
A A Sharifi (resigned 8 September 2017)

Following the year end, A M Byrne and M Donnelly were appointed as directors on 26 July 2018 and 1 September 2018 respectively.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the strategic report as the directors consider them to be of strategic importance to the group.

Post statement of financial position events

Material post statement of financial position events are disclosed in note 27 of the consolidated 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, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 DECEMBER 2018 and signed on its behalf.

M D Holmes
Director

Directors' responsibilities statement
For the year ended 31 March 2018

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 judgements and accounting estimates that are reasonable and prudent; and
- 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.

Independent auditor's report to the members of Duality Group Limited

Opinion

We have audited the financial statements of Duality Group Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, 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 2018 and of the group's 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.

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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 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.

Opinions 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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 strategic report and director's 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, 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.

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 at the Financial Reporting Council's website at: https://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 parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Gary Harding (Senior Statutory Auditor)
For and on behalf of **BDO LLP**, Statutory Auditor
Manchester
United Kingdom

20 December 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Duality Group Limited

Consolidated statement of comprehensive income
For the year ended 31 March 2018

	Note	Continuing operations Year ended 31 March 2018 £	Discontin'd operations Year ended 31 March 2018 £	Total Year ended 31 March 2018 £	Continuing operations 41 weeks ended 31 March 2017 £	Discontin'd operations 41 weeks ended 31 March 2017 £000	Total 41 weeks ended 31 March 2017 £000
Turnover	4	**12,914**	-	**12,914**	6,123	911	7,034
Cost of sales		**(10,038)**	-	**(10,038)**	(4,402)	(652)	(5,054)
Gross profit		**2,876**	-	**2,876**	1,721	**259**	1,980
Administrative expenses		**(5,446)**	-	**(5,446)**	(2,642)	(330)	(2,972)
Impairment of goodwill		-	-	-	(1,117)	(1,161)	(2,278)
Other operating income		**65**	-	**65**	-	-	-
Gain on disposal of operations		-	-	-	-	488	488
Operating loss	5	**(2,505)**	-	**(2,505)**	(2,038)	**(744)**	(2,782)
Interest payable and expenses	9	**(85)**	-	**(85)**	(18)	(2)	(20)
Loss before taxation		**(2,590)**	-	**(2,590)**	(2,056)	**(746)**	(2,802)
Tax on loss	10	-	-	-	(12)	-	(12)
Loss and total comprehensive loss for the financial year		**(2,590)**	-	**(2,590)**	(2,068)	**(746)**	(2,814)

There was no other comprehensive income for 2018 (41 weeks ended 31 March 2017 - £Nil).

All loss and comprehensive loss is attributable to the owners of the parent company.

All amounts for the year ended 31 March 2018 relate to continuing activities.

The notes on pages 17 to 38 form part of these financial statements.

Duality Group Limited
Company number: 10236858

Consolidated statement of financial position
As at 31 March 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	11		-		-
Tangible assets	12		1,125		1,462
			1,125		1,462
Current assets					
Stocks	14	216		315	
Debtors: amounts falling due within one year	15	3,817		4,662	
Cash at bank and in hand		21		92	
		4,054		5,069	
Creditors: amounts falling due within one year	16	(8,014)		(9,259)	
Net current liabilities			(3,960)		(4,190)
Total assets less current liabilities			(2,835)		(2,728)
Creditors: amounts falling due after more than one year	17		(2,569)		(86)
Net liabilities			(5,404)		(2,814)
Capital and reserves					
Called up share capital	21		-		-
Profit and loss account	22		(5,404)		(2,814)
Equity attributable to owners of the parent company			(5,404)		(2,814)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

M D Holmes
Director

The notes on pages 17 to 38 form part of these financial statements.

Duality Group Limited
Company number: 10236858

Company statement of financial position
As at 31 March 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		902		928
Investments	13		-		-
			902		928
Current assets					
Debtors: amounts falling due within one year	15	4		59	
Cash at bank and in hand		-		59	
		4		118	
Creditors: amounts falling due within one year	16	(4,450)		(4,004)	
Net current liabilities			(4,446)		(3,886)
Total assets less current liabilities			(3,544)		(2,958)
Capital and reserves					
Called up share capital	21		-		-
Profit and loss account brought forward		(2,958)		-	
Loss for the year		(586)		(2,958)	
Profit and loss account carried forward	22		(3,544)		(2,958)
Equity attributable to owners of the parent company			(3,544)		(2,958)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Martin Holmes

M D Holmes
Director

The notes on pages 17 to 38 form part of these financial statements.

Duality Group Limited

Consolidated statement of changes in equity
For the year ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 17 June 2016	-	-	-
Comprehensive loss for the year			
Loss for the period	-	(2,814)	(2,814)
Total comprehensive loss for the year	-	(2,814)	(2,814)
Contributions by and distributions to owners			
Shares issued during the period	-	-	-
At 1 April 2017	-	(2,814)	(2,814)
Comprehensive loss for the year			
Loss for the year	-	(2,590)	(2,590)
At 31 March 2018	-	(5,404)	(5,404)

The notes on pages 17 to 38 form part of these financial statements.

Duality Group Limited

Company statement of changes in equity
For the year ended 31 March 2018

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 June 2016	-	-	-
Comprehensive loss for the year			
Loss for the period	-	(2,958)	(2,958)
Total comprehensive income for the period	-	(2,958)	(2,958)
Contributions by and distributions to owners			
Shares issued during the period	-	-	-
At 1 April 2017	-	(2,958)	(2,958)
Comprehensive income for the period			
Loss for the year	-	(586)	(586)
At 31 March 2018	-	(3,544)	(3,544)

The notes on pages 17 to 38 form part of these financial statements.

Duality Group Limited

Consolidated statement of cash flows
For the year ended 31 March 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Loss for the financial year	**(2,590)**	(2,814)
Adjustments for:		
Impairment of goodwill	**-**	2,278
Gain on disposal of operations	**-**	(488)
Depreciation of tangible assets	**339**	162
Profit on disposal of tangible assets	**(1)**	(202)
Interest paid	**85**	20
Taxation charge	**-**	12
Decrease in stocks	**99**	478
Decrease in debtors	**845**	178
Increase/(decrease) in creditors	**484**	(2,142)
Corporation tax received	**(12)**	-
Net cash used in operating activities	**(751)**	(2,518)
Cash flows from investing activities		
Purchase of tangible fixed assets	**-**	(929)
Proceeds from sale of tangible fixed assets	**(1)**	305
Acquisition of subsidiaries, including costs, net of cash acquired	**-**	(2,934)
Hire purchase interest paid	**(16)**	-
Net cash used in investing activities	**(17)**	(3,558)

Consolidated statement of cash flows (continued)
For the year ended 31 March 2018

	2018 £000	2017 £000
Cash flows from financing activities		
New shareholder loans	**446**	3,959
Other new loans	**655**	-
Capital element of finance leases repaid	**(151)**	(100)
Interest paid	**(69)**	(20)
Net cash from financing activities	**881**	3,839
Net increase/(decrease) in cash and cash equivalents	**113**	(2,237)
Cash and cash equivalents at beginning of year	**(2,237)**	-
Cash and cash equivalents at the end of year	**(2,124)**	(2,237)

	2018 £000	2017 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**21**	92
Invoice discounting	**(2,145)**	(2,329)
	(2,124)	(2,237)

The notes on pages 17 to 38 form part of these financial statements.

1. General information

Duality Group Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the company's operations and its principal activities are outlined in the strategic report.

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group accounting policies (see note 3).

The financial statements are presented in sterling which is the functional currency of the company. All amounts in these financial statements have been rounded to the nearest £1.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2. Accounting policies (continued)

2.4 Going concern

As explained in the Strategic Report, the group's principle trading subsidiary in the financial year was Dyson Energy Services Limited ("Dyson"). Duality Group Limited is a holding company.

In the financial year, Dyson gained approval for a Creditors' Voluntary Arrangement ("CVA" – on 14 December 2017 – "the CVA Date") following a vote on a proposal presented by the directors of Dyson to its creditors on 24 November 2017. The directors proposed to repay a proportion of its debts at the CVA date to the creditors over five years based on the model produced in support of the CVA with the possibility for additional repayments subject to the performance of the company. Dyson has honoured all payments required of it pursuant to the CVA since the CVA date to the date on which the 31 March 2018 financial statements were signed.

The directors' are required to assess the ability of the group to continue as a going concern, for a period of at least 12 months from the date of approval of the financial statements. In doing so the directors refer to the information disclosed in relation to the CVA above, as well as the key impacts on trade subsequent to the year end, in addition to the fact that the group incurred a net loss of £2.6m during the year ended 31 March 2018 and, as of that date, the group's total liabilities exceeded its total assets by £5.4m.

In assessing the trading outlook for the group, the directors have concluded that it remains appropriate to adopt the going concern basis of accounting, as at the date of approval of the financial statements the directors are of the opinion the CVA has afforded Dyson the breathing space to attempt to conclude its restructuring of the business which has been broadly concluded in early 2018, evidenced by the return to profit in the Dyson business, albeit at modest levels.

To ensure the continuation of the group the directors regularly review the revenue generating activities, gross margin levels and cash flows of the group, both in the short and medium term, and have a thorough approach to managing the working capital of the business. Forecasts are prepared and updated on a regular basis. The forecasting process is compiled using key market data, extensive dialogue with customers and suppliers, in depth analysis of all the key input costs and a range of scenario and sensitivity planning.

In forming the conclusions on the application of the going concern principle, the directors consider that the following uncertainties exist at the date of approval of the financial statements:

- Market and regulatory conditions - the group is exposed to changes in the level of activity from its core customer base and from its customers' Regulator (under ECO), OFGEM, which in turn is affected by government policy. A key policy is the Energy Company Obligation ("ECO"), which is now in its third phase (ECO 3, a 42 months obligation period, which commenced on 1 October 2018). Reacting quickly to changes in the Regulatory environment is essential to the business and failure to do so could expose the group to a loss of business and / or reduction in profit. The general economic climate and both business and consumer confidence could also affect the business adversely;
- Competition - while the group's principle subsidiary, Dyson, is a leading national insulation and heating installation business with a strong reputation with its customers, pressures from competitors may erode its margins;

2. Accounting policies (continued)

- Quality, Health and Safety - the group operates in a technical sector using specialised equipment which must be adequately maintained and operated correctly. Failure to do so could expose the group to losses or fines arising from injury to employees or the public. The group also operates in a regulated industry sector, i.e. the utility sector, and is contractually obligated to operate its business in defined ways. Not complying with set processes would expose the business to fines and potential losses arising from such a breach. The group undertakes a risk assessment process prior to all installations and a pre and post installation inspection is also carried out. In addition, third party inspections at a level of 20% are also carried out on a quarterly basis;
- Debt - the group had net debt of £2.2m excluding intercompany balances (41 weeks ended 31 March 2017 - £2.5 excluding intercompany balances) and must manage the potential interest rate risks, counter party credit risk and operate within its facilities/lending agreements. The support provided by the shareholders remains of vital importance in allowing the group to manage these risks;

  * Net debt comprises other loans, invoice discounting, obligations under finance lease and hire purchase contracts less cash at bank and in hand.

- Working Capital and Cash Management - the management of working capital is fundamental to maintaining adequate head room under Dyson's invoice discounting facility and allowing the group to trade with its supplier base/stakeholders. This is exacerbated during contractions in the business, as experienced during the year under review. The ability to manage working capital is particularly relevant as while long term facilities are in place to January 2020, Dyson had been operating until December 2018 with an agreed borrowing level in excess of the originally agreed facilities, however, Dyson has recently agreed a formal and staged return to the level in the originally agreed facilities with this to occur by August 2019; and
- Real Property Facility - the £0.6m of additional short term funding provided to DESL by its invoice discounting provider in February 2018 had been formally extended on further short term extensions until December 2018, when the group negotiated and agreed with its invoice discounting funder to change the £0.6m short-term funding in Dyson into a Real Property Facility with a three year term with fixed monthly repayments.

The directors acknowledge that the impact of any of the uncertainties described above occurring may mean that the group does not trade in line with the prepared forecasts or generate the levels of working capital required to continue as a going concern.

Having taken all of the above factors into consideration, the directors have reached a conclusion that the group is able to manage their business risks and operate within existing and future funding facilities for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2. Accounting policies (continued)

2.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Installations

Turnover from the installation of insulation, heating measures and renewables is recognised upon completion of the installation, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the installation can be measured reliably.

External Wall Insulation

Turnover from External Wall Insulation is calculated on a percentage of work completed on each property as assessed by the respective site supervisors at each period end.

Distribution and Specialist Products

Turnover under this category is recognised on the receipt of a signed delivery note.

Discounts Received

Discounts received, shown under other operating income, is settlement discounts received from suppliers.

2.6 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income 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.

2.8 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2. Accounting policies (continued)

2.9 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 Statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.10 Taxation

Tax is recognised in the Consolidated Statement of comprehensive income, 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 reporting 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 Statement of financial position 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 reporting date.

2. Accounting policies (continued)

2.11 Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

2.12 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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	- 10% to 20% straight line
Plant and machinery	- 12.5% to 50% straight line
Motor vehicles	- 10% to 50% straight line
Fixtures and fittings	- 20% to 50% 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 the Consolidated Statement of comprehensive income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.14 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 reporting 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.

2.15 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.

2.16 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.

2.17 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.

2.18 Hire purchase and leasing commitments

Assets acquired under hire purchase contracts or finance leases are capitalised and depreciated over the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. Accounting policies (continued)

2.19 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

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

In the application of the group's accounting policies as set out below, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have made the following significant judgements or key estimates in preparing these financial statements:

- the consideration of the group's ability to continue as a going concern, as further disclosed in the accounting policies above;
- tangible assets are depreciated over their useful lives. Useful lives are based on the directors' estimate of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness; and
- revenue is recognised when the amount of revenue can be measured reliably, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities described in the accounting policies above.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group and arises solely within the United Kingdom.

5. Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 31 March 2018 £000	41 weeks ended 31 March 2017 £000
Depreciation of tangible fixed assets	**339**	162
Impairment of goodwill	**-**	2,278
Profit on deemed disposal of operations	**-**	(488)
Profit on disposal of tangible assets	**(1)**	(202)
Operating lease rentals	**488**	196
Cost of stock recognised as an expense	**4,017**	3,942

6. Auditor's remuneration

	Year ended 31 March 2018 £000	41 weeks ended 31 March 2017 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	**25**	25

7. Employees

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

	Group Year ended 31 March 2018 £000	Group 41 weeks ended 31 March 2017 £000	Company Year ended 31 March 2018 £000	Company 41 weeks ended 31 March 2017 £000
Wages and salaries	**4,946**	3,379	**37**	-
Social security costs	**521**	341	**3**	-
Cost of defined contribution scheme	**107**	91	**-**	-
	5,574	3,811	**40**	-

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

	Year ended 31 March 2018 No.	41 weeks ended 31 March 2017 No.
Site Management and Operatives	**90**	179
Administration	**87**	89
	177	268

The company has no employees other than the directors.

8. Directors' remuneration

	Group Year ended 31 March 2018 £000	Group Year ended 31 March 2017 £000	Company 41 weeks ended 31 March 2018 £000	Company 41 weeks ended 31 March 2017 £000
Directors' emoluments	**201**	-	**37**	-
Company contributions to defined contribution pension schemes	**40**	-	-	-
	241	-	**37**	-

During the year retirement benefits were accruing to 1 director (41 weeks ended 31 March 2017 - Nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £97,824 (2017 - £170,627) and the value of the group's contributions paid to a defined contribution pension scheme in respect of that director amount to £39,960 (2017 - £39,960).

9. Interest payable and similar expenses

	Year ended 31 March 2018 £000	41 weeks ended 31 March 2017 £000
Bank interest payable	**69**	20
Finance leases and hire purchase contracts	**16**	-
	85	20

10. Taxation

	Year ended 31 March 2018 £000	41 weeks ended 31 March 2017 £000
UK corporation tax		
Current tax on losses for the year	-	12

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (41 weeks ended 31 March 2017 - higher than) the standard rate of corporation tax in the UK of 19% (41 weeks ended 31 March 2017 - 20%). The differences are explained below:

	Year ended 31 March 2018 £000	41 weeks ended 31 March 2017 £000
Loss before tax	**(2,590)**	(2,802)
Loss multiplied by standard rate of corporation tax in the UK of 19% (41 weeks ended 31 March 2017 - 20%)	**(492)**	(560)
Effects of:		
Expenses not deductible for tax purposes	**10**	465
Income not taxable for tax purposes	**(4)**	(107)
Deferred tax not recognised	**430**	123
Adjustments to tax rates on deferred tax	**-**	91
Fixed asset differences	**5**	-
Adjustments to tax rates on deferred tax	**51**	-
Total tax charge for the year/period	**-**	12

Factors that may affect future tax charges

At the summer budget in 2015, the government enacted a reduction in the corporation tax rate from 20% to 19% for the tax year beginning April 2017, April 2018 and April 2019, with a further reduction from 19% to 17% for the tax year beginning April 2020.

11. Intangible assets

Group

	Goodwill £000
Cost	
At 1 April 2017 and 31 March 2018	**2,278**
Impairment	
At 1 April 2017 and 31 March 2018	**2,278**
Net book value	
At 31 March 2018	**-**
At 31 March 2017	-

12. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost					
At 1 April 2017	1,183	1,279	732	618	3,812
Disposals	-	(453)	(4)	(412)	(869)
At 31 March 2018	1,183	826	728	206	2,943
Depreciation					
At 1 April 2017	259	1,091	408	592	2,350
Charge for the year	25	102	194	18	339
Disposals	-	(453)	(6)	(412)	(871)
At 31 March 2018	284	740	596	198	1,818
Net book value					
At 31 March 2018	899	86	132	8	1,125
At 31 March 2017	924	188	324	26	1,462

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

	31 March 2018 £000	31 March 2017 £000
Plant and machinery	-	9
Motor vehicles	78	181
	78	190

12. Tangible fixed assets (continued)

Finance leases

Such assets are generally classified as finance leases as the rental period amounts to the estimated useful economic life of the assets concerned and often the group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

Company

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
At 1 April 2017 and 31 March 2018	**924**	**4**	**1**	**929**
Depreciation				
At 1 April 2017	**-**	**1**	**-**	**1**
Charge for the year	**25**	**1**	**-**	**26**
At 31 March 2018	**25**	**2**	**-**	**27**
Net book value				
At 31 March 2018	**899**	**2**	**1**	**902**
At 31 March 2017	924	3	1	928

13. Fixed asset investments

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Duality Smart Utilities Limited	Ordinary	100 %	Dormant
Duality Energy Leasing Limited	Ordinary	100 %	Dormant
Sand Clock Limited	Ordinary	100 %	Intermediate holding company

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Dyson Energy Services Limited	Ordinary	100 %	Insulation, heating and renewable energy contractors
Dyson Distribution Limited	Ordinary	100 %	Dormant

The registered office of Duality Smart Utilities Limited and Duality Energy Leasing Limited is Unit 19 Hurricane Court, Hurricane Drive, Liverpool International Business Park, Liverpool, L24 8RL.

The registered office of the remaining subsidiary undertakings is Dyson House, Armytage Road, Brighouse, England, HD6 1PT.

Dyson Distribution Limited was incorporated on 17 July 2017. Sand Clock Limited owns 100% share capital of the company.

Company

	Investments in subsidiary companies £000
Cost	
At 1 April 2017 and 31 March 2018	**37**
Impairment	
At 1 April 2017 and 31 March 2018	**37**
At 31 March 2018	**-**
At 31 March 2017	-

14. Stocks

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Raw materials and consumables	**195**	315	**-**	-
Work in progress (goods to be sold)	**21**	-	**-**	-
	216	315	**-**	-

There is no material difference between the carrying value of stocks and their replacement cost.

An impairment loss of £Nil (41 weeks ended 31 March 2017 - £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade debtors	**3,200**	4,578	**-**	-
Amounts owed by group undertakings	**-**	-	**-**	24
Other debtors	**-**	84	**4**	35
Prepayments and accrued income	**617**	-	**-**	-
	3,817	4,662	**4**	59

Amounts due from subsidiary undertakings are interest free and due on demand.

Included within group trade debtors are £3,034,000 (41 weeks ended 31 March 2017 - £3,727,000) which have been subject to an invoice discounting arrangement.

The impairment loss recognised in profit or loss in the year in respect of bad or doubtful trade debtors was £193,000 (41 weeks ended 31 March 2017 - £172,000).

16. Creditors: Amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Shareholder loans	**4,405**	3,959	**4,405**	3,959
Other loans	**160**	-	-	-
Invoice discounting facility	**2,145**	2,329	-	-
Trade creditors	**675**	1,660	**42**	6
Creditors' voluntary arrangement	**238**	-	-	-
Corporation tax	-	12	-	12
Other taxation and social security	**121**	549	-	9
Obligations under finance lease and hire purchase contracts	**84**	151	-	-
Other creditors	**1**	-	-	-
Accruals and deferred income	**185**	599	**3**	18
	8,014	9,259	**4,450**	4,004

The invoice discounting facility is secured by a fixed and floating charge over the current and future assets of the group. The directors have provided personal guarantees totalling £150,000 in favour of Independent Growth Finance Limited, the provider of the facility.

Hire purchase contracts are secured on the assets to which they relate.

The directors have received written confirmation that whilst the shareholder loans are due on demand, they will not be called upon for repayment within 12 months from the date or approval of the financial statements. The loans accrue interest at a market equivalent rate.

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

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Other loans	**495**	-	-	-
Net obligations under finance leases and hire purchase contracts	**2**	86	-	-
Creditors' voluntary arrangement	**2,072**	-	-	-
	2,569	86	-	-

The hire purchase contracts are secured on the assets to which they relate.

18. Loans

The maturity of sources of debt finance are as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Amounts falling due within one year				
Other loans	**160**	-	-	-
Shareholder loans	**4,405**	3,959	**4,405**	3,959
	4,565	3,959	**4,405**	3,959
Amounts falling due 1-2 years				
Other loans	**180**	-	-	-
Amounts falling due 2-5 years				
Other loans	**315**	-	-	-
	5,060	3,959	**4,405**	3,959

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £000	Group 2017 £000
Within one year	**84**	151
Between 1-5 years	**2**	86
	86	237

20. Financial instruments

	Group 2018 £000	Group 2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,221**	4,754
Financial liabilities		
Financial liabilities measured at amortised cost	**(10,462)**	(8,784)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise shareholder and other loans, trade creditors, Invoice discounting facility, other creditors, accruals and obligations under finance lease contracts.

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
50 A Ordinary shares of £1 each	**50**	50
50 B Ordinary shares of £1 each	**50**	50
12 C Ordinary shares of £1 each	**12**	12
	112	112

The company changed the share class name on 31 January 2017 from Ordinary shares to A, B and C Ordinary shares.

All shares rank pari passu in relation to dividends and any distribution of capital.

22. Reserves

The group and company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Contingent liabilities

Legal Claims

The group is one of a number of industry related companies that are currently defending claims against alleged sub-standard installation of Cavity Wall Insulation, leading to damp ingress, the installations being undertaken pre 2016. The group is not aware that any of these alleged instances have been substantiated and is, in conjunction with its insurance partners, defending all such claims vigorously. Test cases are currently being processed via the legal system and current indications are that initial judgements will be made in the early part of 2019.

It is currently impracticable to estimate the financial effect of the ongoing claims as management are not aware of any cases that have gone to trial and there is therefore no precedent set by the courts.

24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £107,000 (41 weeks ended 31 March 2017 - £91,000). The amounts outstanding at the year end were £19,000 (41 weeks ended 31 March 2017 - £Nil).

25. Commitments under operating leases

At 31 March 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group Year ended 31 March 2018 £000	Group 41 weeks ended 2017 £000	Company Year ended 31 March 2018 £000	Company 41 weeks ended 2017 £000
Not later than 1 year	**294**	493	-	3
Later than 1 year and not later than 5 years	**410**	700	-	-
	704	1,193	-	3

26. Related party transactions

During the period shareholders Shaun Maclean and Martin Holmes loaned £4.405m (41 weeks ended 31 March 2017 - £3.959m) to the company £4.1m and £0.3m respectively (41 weeks ended 31 March 2017 - £3.709m and £0.25m respectively). The balance is included within shareholder loans within creditors. The shareholders remain supportive of the business.

The group hires vehicles from Commercial Fleet Rentals Limited, a company owned by a close family member of one of the directors. During the year the group hired vehicles from Commercial Fleet Rentals Limited for £116,458 (41 weeks ended 31 March 2017 - £Nil). Amounts outstanding at the year end, included within creditors, is £19,440 (41 weeks ended 31 March 2017 - £Nil).

Commercial Fleet Rentals Limited, a company owned by a close family member of one of the directors, loaned the group £50,000. As at 31 March 2018 the full amount is outstanding and included within other loans.

Key management personnel include all directors of the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group is disclosed in note 8.

27. Post statement of financial position events

After the 2018 year end, on 29 August 2018, Duality Group Limited acquired MIMA Enterprises (UK) Limited, a holding company of two trading businesses, Gas Call Services Limited (Gas Call) and Gas Educational Training (Glasgow) Limited (Gas Educational) As part of the acquisition, one of the vendors, Mike Donnelly has joined the board of Duality Group Limited.

Post-completion, Gas Call and Gas Educational are trading in-line with forecasts. The entire MIMA Enterprises (UK) Limited group is based, and operates, in Scotland. Gas Call provides gas maintenance, gas servicing and heating installation services to Scottish Registered Social Landlords (Housing Associations and Councils). Gas Educational provides training courses for students wanting to work in the gas and electrical fields as well as students or existing workers whose job involves working-at-height. In its most recent financial year to 30 April 2018, the MIMA Enterprises (UK) Limited group has combined turnover of £9.4m.

28. Controlling party

The directors are deemed to be the ultimate controlling party by virtue of their directorship and shareholdings in the year to 31 March 2018.