

TWOFOLD LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Bessler Hendrie LLP
Chartered Accountants
Ashbourne House
The Guildway
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for the year ended 30 September 2021

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DIRECTORS:

P D Charnick
T R J Miller

REGISTERED OFFICE:

77 Milford Road
Reading
Berkshire
RG1 8LG

REGISTERED NUMBER:

04043149 (England and Wales)

ACCOUNTANTS:

Bessler Hendrie LLP
Chartered Accountants
Ashbourne House
The Guildway
Old Portsmouth Road
Guildford
Surrey
GU3 1LR

BALANCE SHEET
30 September 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	4	32,058	44,158
Tangible assets	5	<u>759,443</u>	<u>671,081</u>
		<u>791,501</u>	<u>715,239</u>
CURRENT ASSETS			
Stocks		47,658	89,580
Debtors	6	2,300,448	2,642,286
Cash at bank		<u>1,315,813</u>	<u>934,167</u>
		3,663,919	3,666,033
CREDITORS			
Amounts falling due within one year	7	<u>(2,507,818)</u>	<u>(2,759,612)</u>
NET CURRENT ASSETS		<u>1,156,101</u>	<u>906,421</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,947,602</u>	<u>1,621,660</u>
CREDITORS			
Amounts falling due after more than one year	8	(45,000)	(62,500)
PROVISIONS FOR LIABILITIES		<u>(94,280)</u>	<u>(92,695)</u>
NET ASSETS		<u>1,808,322</u>	<u>1,466,465</u>
CAPITAL AND RESERVES			
Called up share capital		66,440	66,440
Share premium		78,800	78,800
Capital redemption reserve		14,490	14,490
Retained earnings		<u>1,648,592</u>	<u>1,306,735</u>
SHAREHOLDERS' FUNDS		<u>1,808,322</u>	<u>1,466,465</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
30 September 2021

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2022 and were signed on its behalf by:

P D Charnick - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2021

1. STATUTORY INFORMATION

Twofold Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for goods and services, net of VAT and trade discounts.

The company supplies document management hardware, software and consumables. In the case of goods, turnover is recognised at the point of delivery or installation. Some sales are made under finance lease arrangements, where the company acts as a dealer lessor. In this case, turnover is recorded at the fair value of the asset supplied and the related cost is recorded in cost of sales. Interest income arising over the period of the lease is recognised in other operating income, as noted below.

The company also derives income from the provision of services, notably support and maintenance contracts, primarily on an annual basis. Income is recognised equally over the period of the contract.

Income arising from assets provided under operating leases is recognised within turnover over the period of the relevant leases.

Intangible fixed assets

Acquired goodwill and intellectual property costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off cost over estimated useful life. An impairment review is carried out annually.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life.

Freehold building	- 50 years straight line
Improvements to freehold	- 3 to 5 years straight line
Plant, machinery and computers	- 3 years straight line
Fixtures, fittings and equipment	- 6 years straight line
Motor vehicles	- 4 years straight line

Tangible fixed assets are stated at their historic cost price less accumulated depreciation. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for use. The asset's residual values, useful lives and depreciation methods are reviewed if there is an indication of significant change since the last reporting date.

Plant & machinery includes some assets held to generate income under operating leases, where the rate of depreciation may be adjusted to reflect the terms of particular lease arrangements.

On disposal the difference between the net proceeds and carrying amount of the item disposed is recognised in the profit and loss account, and included in administration expenses.

Government grants

Government grants relate to grants receivable under the Coronavirus Job Retention Scheme and are accounted for under the accruals model. Grants relating to revenue are recognised in income on a systematic basis over the period in which the entity recognises the related costs for which the grant is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 September 2021

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified by directors as basic or non-basic following the conditions on FRS 102 Section 11. Basic financial instruments are initially measured at transaction price (including transaction cost) and subsequently recognised at amortised cost using the effective interest method. The company does not have any non-basic financial instruments.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Leasing

Interest income arising on finance lease sales is recognised as other operating income in the period to which it relates.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the dates of the transaction. All differences are taken to profit and loss account.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated) and in accordance with the statement of recommended accounting practice issued by the Finance & Leasing Association.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 September 2021

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 26 (2020 - 32) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 October 2020 and 30 September 2021	290,569	61,445	352,014
AMORTISATION			
At 1 October 2020	290,569	17,287	307,856
Charge for year	-	12,100	12,100
At 30 September 2021	290,569	29,387	319,956
NET BOOK VALUE			
At 30 September 2021	-	32,058	32,058
At 30 September 2020	-	44,158	44,158

5. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 October 2020	415,755	171,664	465,816
Additions	-	-	1,263
Disposals	-	-	(300,788)
At 30 September 2021	415,755	171,664	166,291
DEPRECIATION			
At 1 October 2020	58,635	45,084	348,962
Charge for year	5,815	7,050	67,367
Eliminated on disposal	-	-	(287,233)
At 30 September 2021	64,450	52,134	129,096
NET BOOK VALUE			
At 30 September 2021	351,305	119,530	37,195
At 30 September 2020	357,120	126,580	116,854

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 September 2021

5. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 October 2020	27,528	210,498	1,291,261
Additions	1,395	238,918	241,576
Disposals	(28,923)	(59,945)	(389,656)
At 30 September 2021	-	389,471	1,143,181
DEPRECIATION			
At 1 October 2020	23,746	143,753	620,180
Charge for year	1,480	41,380	123,092
Eliminated on disposal	(25,226)	(47,075)	(359,534)
At 30 September 2021	-	138,058	383,738
NET BOOK VALUE			
At 30 September 2021	-	251,413	759,443
At 30 September 2020	3,782	66,745	671,081

Included within plant and machinery are assets held for use in operating leases with a net book value of £32,386 (2020: £63,031).

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,053,597	1,403,284
Amounts owed by group undertakings	1,142,581	1,142,581
Other debtors	104,270	96,421
	<u>2,300,448</u>	<u>2,642,286</u>

Included within Trade debtors is £291,352 (2020: £326,895) relating to amounts due under finance leases. Of this amount £175,782 (2020: £160,739) is due in more than one year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	62,387	350,528
Amounts owed to group undertakings	40,000	40,000
Taxation and social security	229,797	191,158
Other creditors	2,175,634	2,177,926
	<u>2,507,818</u>	<u>2,759,612</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 September 2021

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>45,000</u>	<u>62,500</u>

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	18,000	27,330
Between one and five years	<u>6,000</u>	<u>6,000</u>
	<u>24,000</u>	<u>33,330</u>

10. SECURED DEBTS

There is fixed and floating charge in favour of NatWest plc over all property and assets of the company. There is a separate legal charge over the property owned by the company for the purposes of its trade.

The company has also guaranteed borrowings of its parent company, Twofold Document Solutions Limited, to the extent of £337,500.

11. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption conferred by The Financial Reporting Standard 102 Section 33 'Related party disclosures.' This allows for transactions with members of the group headed by Twofold Document Solutions Limited not to be disclosed on the grounds that 100% of the voting rights in the company are controlled within the group.

12. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Twofold Document Solutions Limited.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
TWOFOOLD LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Twofold Limited for the year ended 30 September 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Twofold Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Twofold Limited and state those matters that we have agreed to state to the Board of Directors of Twofold Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Twofold Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Twofold Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Twofold Limited. You consider that Twofold Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Twofold Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

This report should not be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against Bessler Hendrie LLP for any purpose or in any context. Any party, other than the Directors which obtain access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk.

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30 June 2022

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.