

Company Registration No. 4780042 (England and Wales)

MONTGOMERY DUFFLE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
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MONTGOMERY DUFFLE LIMITED

COMPANY INFORMATION

Director	S J Cann
Secretary	S J Cann
Company number	4780042
Registered office	3 Bailey Court Green Street Macclesfield SK10 1JQ
Business address	163 Parker Drive Leicester LE4 0JP

MONTGOMERY DUFFLE LIMITED

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MONTGOMERY DUFFLE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		22,488		24,279
Current assets					
Stocks		1,294,037		1,267,841	
Debtors	4	139,200		447,042	
Cash at bank and in hand		28,934		-	
		<u>1,462,171</u>		<u>1,714,883</u>	
Creditors: amounts falling due within one year	5	<u>(2,150,647)</u>		<u>(2,361,393)</u>	
Net current liabilities			(688,476)		(646,510)
Total assets less current liabilities			<u>(665,988)</u>		<u>(622,231)</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves			(665,989)		(622,232)
Total equity			<u>(665,988)</u>		<u>(622,231)</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2019 the company was entitled to exemption from audit under the Companies Act 2006 section 479A relating to subsidiary companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 and signed by the director and authorised for issue on 28 August 2020



S J Cann
Director

Company Registration No. 4780042

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MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Montgomery Duffle Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 Bailey Court, Green Street, Macclesfield, SK10 1JQ.

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

The company's activities have been impacted by the Covid-19 pandemic and the subsequent 'lockdown' introduced by the government, where financial results were also affected. The company has adapted its operations to the subsequent reopening of the retail sector.

The company has secured various business interruption loans in the UK, and it has significant long-term trading relationships with its customers and suppliers across different geographic areas.

The directors have prepared detailed cash flow forecasts for a period of more than 12 months from the date of approval of these financial statements and have considered possible scenarios. These forecasts are regularly updated to reflect the latest available information. Since the retail sector reopened there has been a consistent upturn in trade.

Taking into account the company's funding facilities at the date of approval of these financial statements, and the forecasts referred to above, the directors have a reasonable expectation that the company will have sufficient resources in order to be able to continue in operational existence for at least 12 months following the approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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:

Fixtures, fittings & equipment	15 years
Equipment	33% straight line
Motor vehicles	33% straight line

MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

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.

MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

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

1.12 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.

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

1.13 Retirement benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.14 Purpose of Reserves

Share capital

This reserve records the nominal value received for shares sold. This is a non-distributable reserve.

Retained Earnings

This reserve records the cumulative transfer of comprehensive income. This is a distributable reserve.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018 - 2).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	42,713
Additions	1,580
At 31 December 2019	44,293
Depreciation and impairment	
At 1 January 2019	18,435
Depreciation charged in the year	3,370
At 31 December 2019	21,805
Carrying amount	
At 31 December 2019	22,488
At 31 December 2018	24,279
Last year c/fwd depreciation	18,434
Differs from this year b/fwd by	1

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	83,465	449,257
Amounts owed by group undertakings	58,008	-
	141,473	449,257
	2019	2018

MONTGOMERY DUFFLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Debtors (Continued)

Amounts falling due after more than one year:	£	£
Deferred tax asset	(2,273)	(2,215)
Total debtors	139,200	447,042

Trade debtors disclosed above are measured at amortised cost.

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	-	19,250
Trade creditors	13,883	68,814
Amounts owed to group undertakings	1,961,314	30,909
Corporation tax	-	38,091
Other taxation and social security	109,548	106,662
Other creditors	65,902	2,097,667
	2,150,647	2,361,393

6 Contingent liabilities

The company has provided an unlimited guarantee in respect of the bank borrowings of fellow group companies. At the period end there is a potential liability of £nil (2018: £nil).

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
0 Ordinary Shares of £1 each	1	1

9 Parent company

The directors consider the ultimate parent undertaking of this company is its parent, Bollin Group Limited, which is the only undertaking that prepares group accounts including the financial statements of this company. Copies of the financial statements are available from the Company Secretary, Bollin Group Limited, Bailey Court, Green Street, Macclesfield, SK10 1JQ.

The directors regard A D Walker, H Turner and C Fahy as the ultimate controlling parties by virtue of their status as controlling trustees of a trust which holds 100% interest in the equity share capital of Bollin Group Limited.