

DUONS UK LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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DUONS UK LIMITED

COMPANY INFORMATION

Directors	G LEGARDA (appointed 15 January 2008) J HUREL (appointed 1 January 2012)
Company secretary	GORDON DADDS CORPORATE SERVICES LIMITED
Registered number	06472916
Registered office	131-135 TEMPLE CHAMBERS 3-7 TEMPLE AVENUE LONDON EC4Y 0HP

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company in the year under review was that of provision of products and services in the telecommunications sector.

Results and dividends

The loss for the year, after taxation, amounted to £45,818 (2015 - loss £111,199).

Directors

The directors who served during the year were:

G LEGARDA (appointed 15 January 2008)

J HUREL (appointed 1 January 2012)

Future developments

The company continues to develop its activity in the UK.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 20 April 2017 and signed on its behalf.

G LEGARDA
Director

A handwritten signature in black ink, appearing to read 'G Legarda', written over the printed name and title.

DUONS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover		79,736	-
Cost of sales		(14,670)	-
Gross profit		65,066	-
Administrative expenses		(96,504)	(96,809)
Operating loss		(31,438)	(96,809)
Interest payable and expenses	5	(14,380)	(14,390)
Loss before tax		(45,818)	(111,199)
Loss for the year		(45,818)	(111,199)
Other comprehensive income for the year			
Total comprehensive income for the year		(45,818)	(111,199)

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	6	58,145	57,978
Cash at bank and in hand	7	621	576
		<u>58,766</u>	<u>58,554</u>
Creditors: amounts falling due within one year	8	(790,285)	(688,877)
Net current liabilities		<u>(731,519)</u>	<u>(630,323)</u>
Total assets less current liabilities		<u>(731,519)</u>	<u>(630,323)</u>
Net liabilities		<u>(731,519)</u>	<u>(630,323)</u>
Capital and reserves			
Called up share capital		5,000	5,000
Revaluation reserve	10	-	55,378
Profit and loss account	10	(736,519)	(690,701)
		<u>(731,519)</u>	<u>(630,323)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

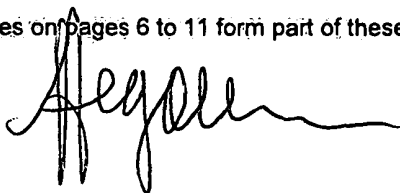
The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 April 2017.

G LEGARDA

Director

The notes on pages 6 to 11 form part of these financial statements.



DUONS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	5,000	55,378	(690,701)	(630,323)
Comprehensive income for the year				
Loss for the year	-	-	(45,818)	(45,818)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(45,818)	(45,818)
Transfer to/from profit and loss account	-	(55,378)	-	(55,378)
At 31 December 2016	5,000	-	(736,519)	(731,519)

DUONS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	5,000	55,378	(579,502)	(519,124)
Comprehensive income for the year				
Loss for the year	-	-	(111,199)	(111,199)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(111,199)	(111,199)
At 31 December 2015	5,000	55,378	(690,701)	(630,323)

The notes on pages 6 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Duons UK Limited is a private limited company, limited by shares and is incorporated and domiciled in England and Wales. The company registration number is 6472916 and the registered office address is at 131-135 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0HP, United Kingdom. The principal activity of the company is the provision of products and services in the telecommunications sector.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the accounts.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 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.

2.5 Cash and cash equivalents

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

2.6 Financial instruments

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

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 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 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 Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.9 Finance costs

Finance costs are charged to the 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.

2.10 Borrowing costs

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

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

The directors have not needed to exercise any significant judgements in applying the accounting policies and there are no sources of estimation uncertainty.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	41,000	41,000
Social security costs	1,537	2,542
	42,537	43,542

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

	2016 No.	2015 No.
BUSINESS DEVELOPMENT	1	1

5. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	178	195
Loans from group undertakings	11,569	14,195
Other interest payable	2,633	-
	14,380	14,390

6. Debtors

	2016 £	2015 £
Trade debtors	55,270	55,270
Other debtors	2,875	2,708
	58,145	57,978

DUONS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	621	576
Less: bank overdrafts	(1,096)	(1,383)
	<u>(475)</u>	<u>(807)</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	1,096	1,383
Payments received on account	-	39,868
Trade creditors	2,034	4,904
Amounts owed to group undertakings	588,808	483,101
Other taxation and social security	48,265	34,126
Other creditors	147,005	121,090
Accruals and deferred income	3,077	4,405
	<u>790,285</u>	<u>688,877</u>

9. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	621	576
	<u>621</u>	<u>576</u>

Financial assets measured at fair value through profit or loss comprise...

10. Reserves

Profit and loss account

The profit and loss account represents the total losses incurred over the years.

11. Related party transactions

At the year end, the company owed Duons SAS £570,258 (2015: £483,101) and also owes Genevieve Legarda £41,695 and Henri Legarda £105,629.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Controlling party

The company is controlled by G Legarda and H Legarda by virtue of their shareholding in the ultimate parent undertaking.