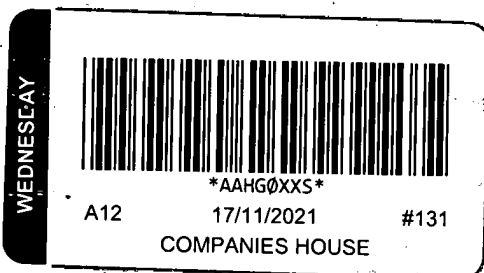


Registered number: 10236858

# DUALITY GROUP LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



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**DUALITY GROUP LIMITED**

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**COMPANY INFORMATION**

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|                            |  |
|----------------------------|--|
| <b>Directors</b>           | S Maclean<br>M Holmes<br>A Byrne<br>M Donnelly<br>D Corbishley<br>J Bartlett (appointed 19 April 2021)             |
| <b>Registered number</b>   | 10236858   |
| <b>Registered office</b>   | Unit 19 Hurricane Court<br>Hurricane Drive<br>Liverpool International Business Park<br>Liverpool<br>L24 8RL        |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants<br>Statutory Auditor<br>Royal Liver Building<br>Liverpool<br>L3 1PS |
| <b>Bankers</b>             | Barclays Bank PLC<br>48B - 50 Lord Street<br>Liverpool<br>L2 1TD   |
| <b>Solicitors</b>          | Pinsent Masons LLP<br>3 Hardman Street<br>Manchester<br>M3 3AU   |

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**DUALITY GROUP LIMITED**

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## DUALITY GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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#### Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 March 2021.

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

#### Business Review

The Group operates via two main trading subsidiaries: Dyson Energy Services Limited ("DESL") and Gas Call Services Limited ("GCSL"), both businesses hold leading market positions in their relevant sectors.

Group turnover for the year to 31 March 2021 was £29.9m (*year ended 31 March 2020: £30.6m*). The Group reported a profit before tax of £1.2m (*year ended 31 March 2020 £3.2m*). Trading in the year under review was heavily impacted by the Covid 19 pandemic and the implications on both of the main trading entities are outlined in more detail below.

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

Turnover for the year to March 2021 was £15.9m (*year ended 31 March 2020 £18.4m*). The business reported a profit before tax of £0.2m (*year ended 31 March 2020 £2.0m*). Business activity during the year was impacted by Covid 19 resulting in the financial performance being significantly below budgeted expectations.

The main revenue stream of the business requires access to people's homes to install insulation measures. When the Government announced a lockdown situation in late March 2020, all operating sites were closed as soon as they could be made safe. This led to all employees (except for a small number of key skeleton staff) to be furloughed under the Government's Corona Virus Job Retention Scheme, whilst the business was temporarily closed, resulting in significant Q1 losses.

As the first lockdown restrictions were eased, in conjunction with increased confidence of householders to allow access to their properties there was a gradual return to work, initially focused on the new build, contracting and merchant elements of the business as building sites were re-opened first post lockdown. During this time all of DESL employees were provided with appropriate PPE as well as its clients and customers being provided with new Covid-19 ready risk assessments. This slow but gradual return to work saw the business breakeven in Q2 prior to achieving normalised revenues and margins in Q3, successfully trading through the second national lockdown during the month of November 2020. The early part of 2021 saw the third national lockdown. The Company again managed to successfully trade through this period albeit at both reduced revenues and margins as access to homeowner's properties again proved problematic. This lockdown however did not have as a significant impact on the business activities (as the first national lockdown in March 2020) and trading had again recovered to normalised levels by March 2021.

The Company's main revenue streams continue to be "ECO" (The Electricity and Gas (Energy Company Obligation) Order 2018 No. 1183) related with the current scheme ECO 3, running through to March 2022. Seamless transition to ECO 4 is expected with legislation currently sat with Government awaiting approval. ECO 4 is expected to be a £1.0 billion per annum (compared to £0.6 billion per annum under ECO 3), 4-year obligation with the focus on the fabric of the building, with a reduced emphasis on energy efficient heating appliances. It would appear evident that significant improvements will need to be made within the energy efficiency of the UK's housing stock if the country is to meet its global carbon commitments. This was reinforced by the Government's £1.5 billion Green Home Grant Scheme which was introduced during the year. Whilst the scheme was unsuccessful and was withdrawn after a short period of time, it illustrates the Government's intent to its global carbon commitments. An upside from the cessation of operational delivery during the pandemic was that the business has built up a significant order bank and as such is well positioned to exploit these fabric-based opportunities. The Company's new build, contracting and merchanting elements performed well during the year despite the impact of Covid 19.

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**DUALITY GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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During the year, the Company invested heavily in the training of all relevant personal so that they are PAS 2035 (PAS 2035: PAS (Publicly Available Specification) 2035:2019 Specification for the energy retrofit of domestic buildings) compliant, well in advance of its mandatory adoption from 1st July 2021. PAS 2035 is one of the most significant changes the industry has had to make both operationally and administratively for several years, driven by the previous high level of failure by certain, unsophisticated installers in the domestic retrofit market. PAS 2035 was an outcome of 2015 "Each Home Counts" review by Dr Peter Bonfield in conjunction with BEIS (Department for Business Energy and Industrial Strategy) and PAS 2035 is designed to introduce new quality standards and best practice into the domestic retrofit market. DESL is at the forefront of its adoption and is well placed to benefit from the increase in LTS (Life Time Saving) rates that PAS 2035 compliance affords.

The impact of Covid 19 on the future financial performance of the business remains uncertain. However, despite what was a challenging year the directors were encouraged by the revenues and margins achieved in normalised months of trading during the year and see this as indicative of the business's base future trading, post Covid 19. The Company has already secured considerable funding from the major energy companies for the year ahead and this coupled with PAS 2035 compliance, and a significant order bank leads the directors to view the outlook for the next 12 months with cautious optimism.

**Gas Call Services Limited**

Turnover for the period to March 2021 was £13.8m (*March 2020, £12.1m*). The Company reported a profit before tax for the year of £1.2m (*March 2020, £1.4m*). Business activity during the year was overshadowed by Covid 19, however despite this impact, the business reported record turnover for the second consecutive year albeit with margin percentages slightly down on those reported in the previous year.

Deemed an "essential service provider", the business operated continuously during the pandemic, providing breakdown repairs as well as continuing to facilitate gas safety inspections. Service and maintenance revenue streams were largely protected due to the legislative nature of the work undertaken and whilst service access rates were impacted, particularly during the periods of lockdown, intelligent planning and close working relationships with our clients and supply chain partners ensured that service compliance and maintenance profiles were maintained at the levels expected by our clients.

Covid 19 did however impact on capital works programmes, with installation projects either continuing at reduced volumes or being deferred until greater clarity was available as to the risk associated with the virus. Both client and customer confidence are now returning as the country eases out of lockdown and infection rates appear to be under control. Indications are that deferred capital works projects will be released in the coming months as our social housing clients determine their budgets for the new financial year. Gas Call is well positioned to support these projects as and when they are released.

Perhaps the most significant impact of Covid 19 on the business during the period under review was on GCSL's growth ambitions. Whilst turnover grew by 14% in the year this was achieved via the Company's existing client base and full year impact of PY contract wins, there was little in the way of new business activity. The market saw a general, understandable, nervousness surrounding the tender or re-tender of contracts with c80% of organisations invoking emergency measures to extend contracts (that were due to be re-tendered during the year) for an additional period of at least twelve months, thus avoiding potential complications of a new contractor having to mobilise during the Covid 19 outbreak.

The Company views the future 12 months with cautious optimism. The Company sees opportunities in a market that will be enhanced by those contracts artificially extended due to the impact of the pandemic in addition to those that will come to market via their normal contractual cycle. Having also previously been appointed to a number of high-profile national frameworks GCSL is well placed to progress its strategy of developing the Gas Call Services brand in the wider UK market.

The Company remains financially strong, with net assets of £2.9m, no debt and a year-end cash balance of £2.0m. The directors believe that Covid 19 may have a detrimental impact on its competitors, creating potential acquisition opportunities as the industry looks to consolidate what is a fragmented market. The Company has the required financial strength to pursue an acquisition strategy in conjunction with its organic growth plans.

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## DUALITY GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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The impact of Covid 19 on the future financial performance of the business remains uncertain. However, the underlying business has proven to be robust and continues to be supported by fixed term contracts with a secure client base (Registered Social Landlords or equivalent). The directors are encouraged by the financial performance of the business in an unprecedented year and believe the outlook for the next 12 months and beyond remains positive.

#### **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** – DESL 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 continues in its third phase (ECO 3,) reacting quickly to changes in the regulatory environment is essential to the business and failure to do so could expose the Company to a loss of business and / or reduction in profit. GCSL operate almost exclusively in the social housing market. Potential changes in how these organisations obtain their funding could impact on annual budgetary spend. Revenues are however projected to some extent due to the legislative nature of some of the work undertaken. The general economic climate and consumer confidence could also affect the businesses adversely.
- **Competition** – Both DESL and GCS have strong reputations in their respective markets. Both markets are however competitive and low competitor pricing, sometimes to unsustainable levels, could potentially erode margins.
- **Corona Virus** – The future impact of Covid 19, or a further outbreak of a similar type of virus remains unknown. The Group has taken steps to protect its employees and customers with a fully documented PPE policy and practices social distancing in the workplace. New Covid ready risk assessments have been distributed to all clients, customers and homeowners where access is required to their properties.
- **Implications of the UK Exit from the European Market** – The impact of Brexit, the formal exit from the European Market initially had little impact on the heating or insulation markets although the wider impact on the UK economy remains unclear. Whilst the outcome remains uncertain both GCSL and DESL operate entirely in the UK. We continue to monitor the situation, particularly on the supply of parts and appliances that are manufactured outside of the UK which are now starting to show signs of price increases associated with increasing costs and the availability of raw materials, notably in the heating sector.
- **Quality, Health & Safety** – The Group companies operate in regulated industry sectors and are contractually obligated to operate its businesses in defined ways. Not complying with set processes would expose the business to fines and potential losses arising from such a breach. To mitigate, the Company undertakes a risk assessment process prior to all installations (gas or insulation) and a pre and post-installation inspection are also carried out.
- **Debt** – The Group operates with the support of asset backed finance agreements (ABFA) as well as external support from its shareholders. It must therefore manage the potential interest rate risks, counter-party credit risk and operate within its facilities/lending agreements. The support provided by the Group's shareholders remains of vital importance in allowing the Company to manage these risks.
- **Working Capital and Cash Management** – Management of working capital is fundamental to maintaining adequate head room under the Group's ABFA and allowing the Company to trade with its supplier base/stakeholders.

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**DUALITY GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Summary of results**

In the financial year, the Group reported sales of £29.9m (2020: £30.6m). The consolidated operating profit is £1.8m (2020: £3.6m).

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

|                          | <b>2021</b>    | <b>2020</b>    |
|--------------------------|----------------|----------------|
|                          | <b>£000</b>    | <b>£000</b>    |
| Turnover                 | <b>29,849</b>  | <b>30,624</b>  |
| Net profit before tax    | <b>1,239</b>   | <b>3,150</b>   |
| Net current liabilities  | <b>(1,367)</b> | <b>(2,719)</b> |
| Net liabilities          | <b>(493)</b>   | <b>(1,603)</b> |
| Average employee numbers | <b>325</b>     | <b>307</b>     |

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

*Alan Byrne*

**A Byrne**

Director

Date: 5/10/2021

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## DUALITY GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### Results and dividends

The profit for the year, after taxation, amounted to £1,110,000 (2020 - £4,017,000).

The directors have not recommended any dividends during the year (2020: £Nil).

#### Directors

The directors who served during the year were:

S Maclean  
M Holmes  
A Byrne  
M Donnelly  
D Corbishley

#### Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

#### Future developments

The directors are satisfied with the financial performance during the year acknowledging the impact that the pandemic had on both the operational performance of the Group but also on its plans for growth.

The directors are encouraged by the strong pipeline and organic growth opportunities in both of its major markets. The Group continues to explore 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. The outlook for the next 12 months is viewed with cautious optimism.



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**DUALITY GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Going concern**

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.

The Group has reviewed and continues to review the risks to the business as well as the risks presented to the business by the outbreak of Covid 19. The directors continue to monitor this specific risk very closely and implement cost saving measures where required. During this period, all trade creditors were paid to terms, whilst trade debtors similarly continued to pay to terms.

In making their going concern assessment, as well as considering general risks and specifically the risks presented by Covid 19, the directors have prepared and considered financial forecasts for the following 12 months and beyond. The directors have conducted sensitivity analysis on these forecasts and have considered the impact of worst-case scenarios. Based on the outcome of this analysis and the accompanying cash flow forecasts, the directors believe that there will be sufficient funds available to the Group to meet its obligations over the next 12 months and beyond. This, in conjunction with the ongoing support and commitment of the Group's ultimate shareholders, leads the directors to believe that it is appropriate that the Group continues to operate as a going concern.

**Matters covered in the Strategic Report**

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in accordance with section 414C(II) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Items normally reserved for the Directors' Report relating to risks and uncertainties have been included within the Strategic Report.

**Post balance sheet events**

The impact on the Company arising from the Covid 19 outbreak has been considered by the directors. There are no adjusting or non-adjusting events which have come to light at this current time.

Gas Call Services Limited acquired 100% of ordinary share capital in WRB Gas (Contracts) Limited on the 30th July 2021.

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**DUALITY GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Responsibilities under Section 172 of the United Kingdom Companies Act**

The board of directors of Duality Limited consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the Company for the benefit of all its stakeholders in the decisions they made during the year ended 31 March 2021, having regard to the consequences of decisions in the long term.

We recognise our colleagues as our most important asset and aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and wellbeing of our colleagues are of the highest importance and ensuring these is one of our primary considerations in the way we do business. Caring for our customers is fundamental to the success of our business and we endeavour to serve them to the very best of our ability. We are committed to ensuring that all services provided are of high quality and in accordance with all regulatory requirements. We also aim to act responsibly and fairly in our engagement with suppliers, landlords, insurers, bankers, and other stakeholders.

We aim to pay all suppliers in accordance with their agreed terms and have worked very closely with all creditors during the COVID-19 pandemic. The group takes seriously its responsibilities towards the communities it serves, and to the wider environment.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

*Alan Byrne*

**A Byrne**  
Director  
Date: 5/10/2021



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUALITY GROUP LIMITED

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### 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 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 2021 and of the Group's profit 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUALITY GROUP LIMITED (CONTINUED)**

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Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUALITY GROUP LIMITED (CONTINUED)**

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### **Matter on which we are required to report under the Companies Act 2006**

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 Group Strategic Report or the Directors' Report.

### **Matters on which we are required to report by exception**

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 for the financial statements**

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 on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUALITY GROUP LIMITED (CONTINUED)

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### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates and determined which may influence the financial statements.

We determined that the following laws and regulations are the most significant which are directly relevant to specific assertions in the financial statements:

- Those that relate to reporting frameworks being FRS102 and the Companies Act 2006 and the relevant tax compliance regulations.
- Those that relate to the operational activities of the group, namely trading entities, in relation to provision of insulation installation services being compliant with requirements under The Building Regulations Act 2010, as well as provision of gas installation and maintenance services being compliant with Gas Safe Register requirements.

We assessed the susceptibility of the company's financial statements to material misstatements, including how fraud might occur. We performed the following audit procedures to address the risks related to irregularities and fraud:

- evaluation of the processes and controls in place to address the risks related to irregularities and fraud;
- challenge of the assumptions and judgements made by management in its significant accounting estimates;
- review and testing of journal entries, in particular manual journal entries, relating to management estimates and journal entries impacting the reported result for the year;
- consideration of the potential for fraud in revenue recognition;
- identifying and testing related party transactions.

We enquired of management whether there was any awareness of instances of non-compliance with laws and regulations or whether they had any knowledge of actual or suspected fraud.

In assessing the potential risks of material misstatement, we obtained an understanding of the company's operations, the applicable statutory provisions and business risks that may result in risk of material misstatement, and the company's control environment, including the adequacy of procedures for authorisation of transactions.

The engagement team's experience with similar engagements, their understanding and knowledge of the company's industry and their understanding of the industry and regulatory requirements were considered in assessing the appropriateness of the collective competence and capabilities of the engagement team.

No matters relating to non-compliance with laws and regulations or relating to fraud were identified in relation to the above-mentioned laws and regulations that were identified by us as most significant.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DUALITY GROUP LIMITED (CONTINUED)**

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**Use of our report**

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Carl Williams*

Carl Williams  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Liverpool  
Date: 22/10/2021

## DUALITY GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

|                                      | Note | 2021<br>£000 | 2020<br>£000  |
|--------------------------------------|------|--------------|---------------|
| Turnover                             | 4    | 29,849       | 30,624        |
| Cost of sales                        |      | (23,026)     | (20,623)      |
| <b>Gross profit</b>                  |      | <b>6,823</b> | <b>10,001</b> |
| Administrative expenses              |      | (7,095)      | (7,961)       |
| Exceptional other operating income   | 12   | -            | 1,400         |
| Other operating income               | 5    | 1,829        | 113           |
| <b>Operating profit</b>              | 6    | <b>1,557</b> | <b>3,553</b>  |
| Interest payable and expenses        | 10   | (318)        | (403)         |
| <b>Profit before tax</b>             |      | <b>1,239</b> | <b>3,150</b>  |
| Tax on profit on ordinary activities | 11   | (129)        | 867           |
| <b>Profit for the financial year</b> |      | <b>1,110</b> | <b>4,017</b>  |

There was no comprehensive income for 2021 (2020: £Nil).

All results were derived from the Group's continuing activities.

The notes on pages 21 to 45 form part of these financial statements.



**DUALITY GROUP LIMITED**  
**REGISTERED NUMBER:10236858**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

|   | Note | 2021<br>£000   | 2020<br>£000   |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                     |      |                |                |
| Intangible assets                                       | 13   | 1,372          | 1,258          |
| Tangible assets   | 14   | 1,102          | 1,093          |
|   |      | <u>2,474</u>   | <u>2,351</u>   |
| <b>Current assets</b>                                   |      |                |                |
| Stocks  | 16   | 412            | 370            |
| Debtors: amounts falling due after more than one year   | 17   | 85             | 621            |
| Debtors: amounts falling due within one year            | 17   | 7,892          | 7,146          |
| Cash at bank and in hand                                | 18   | 3,093          | 1,299          |
|   |      | <u>11,482</u>  | <u>9,436</u>   |
| Creditors: amounts falling due within one year          | 19   | (12,849)       | (12,155)       |
| <b>Net current liabilities</b>                          |      | <u>(1,367)</u> | <u>(2,719)</u> |
| <b>Total assets less current liabilities</b>            |      | <u>1,107</u>   | <u>(368)</u>   |
| Creditors: amounts falling due after more than one year | 20   | (1,192)        | (540)          |
| Provisions  | 25   | (408)          | (695)          |
|   |      | <u>(408)</u>   | <u>(695)</u>   |
| <b>Net liabilities</b>                                  |      | <u>(493)</u>   | <u>(1,603)</u> |
| <b>Capital and reserves</b>                             |      |                |                |
| Share premium account                                   | 26   | 6              | 6              |
| Profit and loss account                                 | 26   | (499)          | (1,609)        |
| <b>Shareholders' deficit</b>                            |      | <u>(493)</u>   | <u>(1,603)</u> |

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

*Alan Byrne*

**A Byrne**  
 Director 5/10/2021

The notes on pages 21 to 45 form part of these financial statements.

**DUALITY GROUP LIMITED**  
**REGISTERED NUMBER: 10236858**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

|   | Note | 2021<br>£000        | 2020<br>£000        |
|---|------|---------------------|---------------------|
| <b>Fixed assets</b>                                     |      |                     |                     |
| Intangible assets                                       | 13   | 264                 | -                   |
| Tangible assets   | 14   | 862                 | 878                 |
| Investments   | 15   | 4,807               | 4,807               |
|   |      | <u>5,933</u>        | <u>5,685</u>        |
| <b>Current assets</b>                                   |      |                     |                     |
| Debtors   | 17   | 3,308               | 3,606               |
| Cash at bank and in hand                                | 18   | 68                  | 1                   |
|   |      | <u>3,376</u>        | <u>3,607</u>        |
| Creditors: amounts falling due within one year          | 19   | (6,295)             | (7,095)             |
| <b>Net current liabilities</b>                          |      | <u>(2,919)</u>      | <u>(3,488)</u>      |
| <b>Total assets less current liabilities</b>            |      | <u>3,014</u>        | <u>2,197</u>        |
| Creditors: amounts falling due after more than one year | 20   | -                   | (410)               |
| <b>Net assets</b>                                       |      | <u><u>3,014</u></u> | <u><u>1,787</u></u> |
| <b>Capital and reserves</b>                             |      |                     |                     |
| Called up share capital                                 | 24   | -                   | -                   |
| Share premium account                                   | 26   | 6                   | 6                   |
| Profit and loss account                                 | 26   | 3,008               | 1,781               |
| <b>Shareholders' funds</b>                              |      | <u><u>3,014</u></u> | <u><u>1,787</u></u> |

The parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The parent Company's profit is £1,232,000 (2020: £5,610,000).

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

**A Byrne** *Alan Byrne*  
 Director

Date: 5/10/2021

The notes on pages 21 to 45 form part of these financial statements.

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**DUALITY GROUP LIMITED**


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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**


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|                         | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity |
|-------------------------|----------------------------|-----------------------------|----------------------------|--------------|
|                         | £000                       | £000                        | £000                       | £000         |
| At 1 April 2020         | -                          | 6                           | (1,609)                    | (1,603)      |
| Profit for the year     | -                          | -                           | 1,110                      | 1,110        |
| <b>At 31 March 2021</b> | <b>-</b>                   | <b>6</b>                    | <b>(499)</b>               | <b>(493)</b> |

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**


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|                         | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity   |
|-------------------------|----------------------------|-----------------------------|----------------------------|----------------|
|                         | £000                       | £000                        | £000                       | £000           |
| At 1 April 2019         | -                          | 6                           | (5,626)                    | (5,620)        |
| Profit for the year     | -                          | -                           | 4,017                      | 4,017          |
| <b>At 31 March 2020</b> | <b>-</b>                   | <b>6</b>                    | <b>(1,609)</b>             | <b>(1,603)</b> |

The notes on pages 21 to 45 form part of these financial statements.

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**DUALITY GROUP LIMITED**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**


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|                         | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity |
|-------------------------|----------------------------|-----------------------------|----------------------------|--------------|
|                         | £000                       | £000                        | £000                       | £000         |
| At 1 April 2020         | -                          | 6                           | 1,781                      | 1,787        |
| Profit for the year     | -                          | -                           | 1,227                      | 1,227        |
| <b>At 31 March 2021</b> | <b>-</b>                   | <b>6</b>                    | <b>3,008</b>               | <b>3,014</b> |

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**


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|                         | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity |
|-------------------------|----------------------------|-----------------------------|----------------------------|--------------|
|                         | £000                       | £000                        | £000                       | £000         |
| At 1 April 2019         | -                          | 6                           | (3,830)                    | (3,824)      |
| Profit for the year     | -                          | -                           | 5,611                      | 5,611        |
| <b>At 31 March 2020</b> | <b>-</b>                   | <b>6</b>                    | <b>1,781</b>               | <b>1,787</b> |

The notes on pages 21 to 45 form part of these financial statements.

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**DUALITY GROUP LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**


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|   | 2021<br>£000 | 2020<br>£000 |
|---|--------------|--------------|
| <b>Cash flows from operating activities</b>         |              |              |
| Profit for the financial year                       | 1,110        | 4,017        |
| <b>Adjustments for:</b>                             |              |              |
| Amortisation of intangible assets                   | 150          | 150          |
| Depreciation of tangible assets                     | 123          | 149          |
| Profit on disposal                                  | (10)         | (50)         |
| Interest paid                                       | 318          | 403          |
| Taxation credit/(charge)                            | 129          | (867)        |
| (Increase) in stocks                                | (42)         | (81)         |
| (Increase) in debtors                               | (340)        | (998)        |
| (Decrease) in creditors                             | (284)        | (1,685)      |
| (Decrease)/increase in provisions                   | (287)        | 695          |
| Corporation tax (paid)/received                     | 22           | (49)         |
| <b>Net cash generated from operating activities</b> | <b>889</b>   | <b>1,684</b> |
| <b>Cash flows from investing activities</b>         |              |              |
| Purchase of intangible assets                       | (264)        | -            |
| Purchase of tangible fixed assets                   | (72)         | (161)        |
| Proceeds from sale of tangible fixed assets         | 20           | 90           |
| <b>Net cash from investing activities</b>           | <b>(316)</b> | <b>(71)</b>  |

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**DUALITY GROUP LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**


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|   | <b>2021</b>  | <b>2020</b>    |
|---|--------------|----------------|
|   | <b>£000</b>  | <b>£000</b>    |
| <b>Cash flows from financing activities</b>                   |              |                |
| New unsecured bank loans                                      | 2,256        | -              |
| Repayment of bank loans                                       | (225)        | -              |
| Repayment of other loans                                      | (479)        | (1,346)        |
| Amounts repaid on hire purchase                               | (13)         | (17)           |
| Interest paid   | (318)        | (403)          |
| <b>Net cash used in financing activities</b>                  | <b>1,221</b> | <b>(1,766)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>1,794</b> | <b>(153)</b>   |
| Cash and cash equivalents at beginning of year                | 1,299        | 1,452          |
| <b>Cash and cash equivalents at the end of year</b>           | <b>3,093</b> | <b>1,299</b>   |
| <b>Cash and cash equivalents at the end of year comprise:</b> |              |                |
| Cash at bank and in hand                                      | 3,093        | 1,299          |
|   | <b>3,093</b> | <b>1,299</b>   |

The notes on pages 21 to 45 form part of these financial statements.

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**DUALITY GROUP LIMITED**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2021**


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|                          | At 1 April<br>2020<br>£000 | Cash flows<br>£000 | New finance<br>leases<br>£000 | At 31 March<br>2021<br>£000 |
|--------------------------|----------------------------|--------------------|-------------------------------|-----------------------------|
| Cash at bank and in hand | 1,299                      | 1,794              | -                             | 3,093                       |
| Debt due after 1 year    | (531)                      | (594)              | -                             | (1,125)                     |
| Debt due within 1 year   | (2,739)                    | (611)              | -                             | (3,350)                     |
| Finance leases           | (21)                       | 13                 | (70)                          | (78)                        |
|                          | <u>(1,992)</u>             | <u>602</u>         | <u>(70)</u>                   | <u>(1,460)</u>              |

The notes on pages 21 to 45 form part of these financial statements.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

Duality Group Limited is a private Company limited by shares and is incorporated in England and Wales. Its registered head office is Unit 19 Hurricane Court, Hurricane Drive, Liverpool International Business Park, Liverpool, L24 8RL.

The principal activity of Duality Group Limited is that of a holding company. Note 15 details the principal activities of the subsidiary companies.

**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 financial statements are presented in Sterling which is the functional currency of the Group and Company. All amounts in these financial statements have been rounded to the nearest £1,000.

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's accounting policies (see note 3).

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.



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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.3 Going concern**

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.

The Group has reviewed and continues to review the risks to the business as well as the risks presented to the business by the outbreak of Covid 19. The directors continue to monitor this specific risk very closely and implement cost saving measures where required. During this period, all trade creditors have continued to be paid to terms, whilst trade debtors have similarly continued to pay to terms.

In making their going concern assessment, as well as considering general risks and specifically the risks presented by Covid 19, the directors have prepared and considered financial forecasts for the following 12 months and beyond. The directors have conducted sensitivity analysis on these forecasts and have considered the impact of worst-case scenarios. Based on the outcome of this analysis and the accompanying cash flow forecasts, the directors believe that there will be sufficient funds available to the Group to meet its obligations over the next 12 months and beyond. This, in conjunction with the ongoing support and commitment of the Group's ultimate shareholders, leads the directors to believe that it is appropriate that the Group continues to operate as a going concern.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

**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 Group 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.

**2.5 Interest payable**

Interest payable is 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.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.6 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 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.

**2.7 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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.

**2.8 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.9 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 which management consider to be 10 years.

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.

*Research and development*

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. If it is not possible to distinguish between the research and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.10 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.

The Company adds to the carrying amount of an item of fixed asset, the cost of replacing such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to the Statement of Income and Retained Earnings during the period in which they occurred.

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.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)****2.10 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

|                       |                              |
|-----------------------|------------------------------|
| Long term leasehold   | - 2% 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   |
| Office equipment      | - 25% straight line          |
| Computer equipment    | - 25% 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.

Tangible assets are de-recognised on disposal or when no future economic benefits are expected.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in subsidiaries are then subsequently measured at cost less accumulated impairment.

**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**2.13 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.

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 in the Statement of Comprehensive Income.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment losses for bad and doubtful debts. They are then subsequently measured at amortised cost. Amounts recoverable on contract include certified and uncertified amounts due from contact customers, including retentions.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.15 Cash**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Consolidated Statement of Cash Flows, cash is shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.16 Creditors**

Short term creditors are measured at the transaction price, (usually the invoice price). Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.17 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 Statement of Comprehensive Income on a straight line basis over the period of the lease.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**DUALITY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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, 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 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.

**2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**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:

**Tangible assets**

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.

**Bad debt provision**

The entity provides against debtors when the directors are made aware of specific issues.

**Deferred tax**

In recognising the deferred tax assets, management have assessed the amounts expected to be recovered within and after one year based on detailed board-approved cash flow forecasts showing future profits.

**CWI provisions**

The provision recognised at 31 March 2021 totalling £408,302 (2020: £695,178) is held in respect of potential liabilities for ongoing legal claims relating to cavity wall insulation. Management have calculated the provision in accordance with FRS 102 section 21 and have utilised a third party expert in determining the provision to be recognised.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the Group.

|                | 2021<br>£000 | 2020<br>£000 |
|----------------|--------------|--------------|
| United Kingdom | 29,849       | 30,624       |

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**5. Other operating income**

|                              | <b>2021</b>  | <b>2020</b> |
|------------------------------|--------------|-------------|
|                              | <b>£000</b>  | <b>£000</b> |
| Government grants receivable | <b>1,829</b> | <b>113</b>  |

In the current and prior year, government grant income related to furlough grant income in relation to the Coronavirus Job Retention Scheme.

**6. Operating profit**

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

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | <b>£000</b> | <b>£000</b> |
| Depreciation: owned assets                      | <b>115</b>  | <b>117</b>  |
| Depreciation: assets on hire purchase contracts | <b>8</b>    | <b>32</b>   |
| Amortisation on intangible assets               | <b>150</b>  | <b>150</b>  |
| Pension cost                                    | <b>292</b>  | <b>257</b>  |
| Profit on disposal of tangible assets           | <b>(10)</b> | <b>(50)</b> |
| Operating lease rentals                         | <b>495</b>  | <b>981</b>  |

**7. Auditor's remuneration**

|   | <b>2021</b> | <b>2020</b> |
|---|-------------|-------------|
|   | <b>£000</b> | <b>£000</b> |
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements      | <b>6</b>    | <b>5</b>    |
| Fees payable to the Group's auditor for the audit of the Subsidiaries annual financial statements | <b>29</b>   | <b>27</b>   |
|   | <b>35</b>   | <b>32</b>   |

**Fees payable to the Group's auditor and its associates in respect of:**

|                             |           |           |
|-----------------------------|-----------|-----------|
| Tax compliance services     | <b>12</b> | <b>11</b> |
| Account production services | <b>6</b>  | <b>6</b>  |
| Tax advisory services       | <b>15</b> | <b>1</b>  |



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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**8. Employees**

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

|                       | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|-----------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Wages and salaries    | 12,156                         | 11,035                         | 592                              | 373                              |
| Social security costs | 1,172                          | 1,111                          | 77                               | 41                               |
| Pension costs         | 268                            | 257                            | 7                                | 2                                |
|                       | <b>13,596</b>                  | <b>12,403</b>                  | <b>676</b>                       | <b>416</b>                       |

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

|                | <b>Group<br/>2021<br/>No.</b> | <b>Group<br/>2020<br/>No.</b> | <b>Company<br/>2021<br/>No.</b> | <b>Company<br/>2020<br/>No.</b> |
|----------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Indirect       | 46                            | 46                            | -                               | -                               |
| Direct         | 195                           | 173                           | -                               | -                               |
| Administration | 84                            | 88                            | 5                               | 3                               |
|                | <b>325</b>                    | <b>307</b>                    | <b>5</b>                        | <b>3</b>                        |

**9. Directors' remuneration**

|   | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|---|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Directors' emoluments   | 757                            | 534                            | 584                              | 382                              |
| Company contributions to defined contribution pension schemes | 28                             | 2                              | 4                                | 2                                |
|   | <b>785</b>                     | <b>536</b>                     | <b>588</b>                       | <b>384</b>                       |

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £173,281 (2020: £152,327).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020: £219).

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**10. Interest payable and similar expenses**

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>£000</b> | <b>£000</b> |
| Loan note interest                         | 13          | 41          |
| Bank interest payable                      | 66          | 105         |
| Shareholders' loan interest                | 238         | 253         |
| Finance leases and hire purchase contracts | 1           | 4           |
|  | <u>318</u>  | <u>403</u>  |

**11. Taxation**

|  | <b>2021</b> | <b>2020</b>  |
|--|-------------|--------------|
|  | <b>£000</b> | <b>£000</b>  |
| <b>Corporation tax</b>                           |             |              |
| Current tax on profits for the year              | 26          | -            |
| Adjustments in respect of previous periods       | 7           | (19)         |
| <b>Total current tax</b>                         | <u>33</u>   | <u>(19)</u>  |
| <b>Deferred tax</b>                              |             |              |
| Effect of tax rate change on opening balance     | 157         | (12)         |
| Origination and reversal of timing differences   | -           | (767)        |
| Adjustment in respect of prior periods           | (61)        | (69)         |
| <b>Total deferred tax</b>                        | <u>96</u>   | <u>(848)</u> |
| <b>Taxation on profit on ordinary activities</b> | <u>129</u>  | <u>(867)</u> |

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

|  | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|--|----------------------|----------------------|
| Profit on ordinary activities before tax   | <b>1,240</b>         | <b>3,150</b>         |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%) | <b>236</b>           | <b>599</b>           |
| <b>Effects of:</b>   |                      |                      |
| Expenses not deductible for tax purposes   | <b>2</b>             | <b>46</b>            |
| Income not taxable for tax purposes  | <b>-</b>             | <b>(239)</b>         |
| Deferred tax not recognised  | <b>-</b>             | <b>(1,053)</b>       |
| Fixed asset differences  | <b>5</b>             | <b>4</b>             |
| Adjustments in respect of prior periods - deferred tax   | <b>(22)</b>          | <b>(69)</b>          |
| Adjustment in respect of prior periods - corporation tax   | <b>-</b>             | <b>(19)</b>          |
| Remeasurement of deferred tax for changes in tax rates   | <b>-</b>             | <b>(136)</b>         |
| R&D expenditure increased deduction  | <b>(87)</b>          | <b>-</b>             |
| Group relief   | <b>(5)</b>           | <b>-</b>             |
| <b>Total tax credit for the year</b>   | <b>129</b>           | <b>(867)</b>         |

**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the Statement of Financial Position date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Statement of Financial Position date, would be to decrease the tax expense for the period by £247,845, and to increase the deferred tax asset by £247,845.

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**12. Exceptional income**

|                    | <b>2021</b> | <b>2020</b> |
|--------------------|-------------|-------------|
|                    | <b>£000</b> | <b>£000</b> |
| Exceptional income | -           | (1,400)     |

The directors believed that DES remaining in the 2017 Company Voluntary Arrangement (CVA) for the full 5 years would restrict the business's chances of a full recovery, inhibiting opportunities both with existing clients and with new markets. In addition, the CVA also restricted the Group's ability to raise external finance as well as maximise working capital opportunities. In February 2020, the directors presented a variation to the CVA creditors with a view to seeking an early exit with a proposed payment of a full and final dividend. On the 6th March 2020 the variation was approved by the CVA creditors, with the legal requirements completed in July 2020 following the distribution of the dividend. The early exit from the CVA was viewed as significant, and reflected the underlying confidence that the directors have in the business on a go forward basis.

As a result, the outstanding creditors in relation to the CVA were heavily reduced, resulting in a £1.4m credit to the Statement of Income and Retained Earnings in the year ended 31 March 2020.

**13. Intangible assets****Group**

|                                     | <b>IT development<br/>costs<br/>£000</b> | <b>Goodwill<br/>£000</b> | <b>Total<br/>£000</b> |
|-------------------------------------|--|--------------------------|-----------------------|
| <b>Cost</b>                         |  |                          |                       |
| At 1 April 2020                     | -  | 3,773                    | 3,773                 |
| Additions                           | 264                                      | -                        | 264                   |
| At 31 March 2021                    | 264                                      | 3,773                    | 4,037                 |
| <b>Amortisation</b>                 |  |                          |                       |
| At 1 April 2020                     | -  | 2,515                    | 2,515                 |
| Charge for the year on owned assets | -  | 150                      | 150                   |
| At 31 March 2021                    | -  | 2,665                    | 2,665                 |
| <b>Net book value</b>               |  |                          |                       |
| At 31 March 2021                    | 264                                      | 1,108                    | 1,372                 |
| At 31 March 2020                    | -  | 1,258                    | 1,258                 |

Amortisation on intangible assets is charged to administrative expenses.

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**13. Intangible assets (continued)****Company**

|                       | <b>IT<br/>development<br/>costs<br/>£000</b> |
|-----------------------|--|
| <b>Cost</b>           |  |
| Additions             | 264  |
| At 31 March 2021      | <u>264</u>                                   |
| <b>Net book value</b> |  |
| At 31 March 2021      | <u><u>264</u></u>                            |
| At 31 March 2020      | <u><u>-</u></u>                              |

Amortisation on intangible assets is charged to administrative expenses.

## DUALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Tangible fixed assets

## Group

|                          | Long term<br>leasehold<br>£000 | Plant and<br>machinery<br>£000 | Motor<br>vehicles<br>£000 | Fixtures<br>and<br>fittings<br>£000 | Computer<br>equipment<br>£000 | Office<br>equipment<br>£000 | Total<br>£000 |
|--------------------------|--------------------------------|--------------------------------|---------------------------|-------------------------------------|-------------------------------|-----------------------------|---------------|
| <b>Cost or valuation</b> |                                |                                |                           |                                     |                               |                             |               |
| At 1 April 2020          | 1,150                          | 965                            | 264                       | 306                                 | 34                            | 8                           | 2,727         |
| Additions                | -                              | 35                             | 73                        | 15                                  | 12                            | 7                           | 142           |
| Disposals                | (29)                           | -                              | (114)                     | -                                   | -                             | -                           | (143)         |
| At 31 March 2021         | 1,121                          | 1,000                          | 223                       | 321                                 | 46                            | 15                          | 2,726         |
| <b>Depreciation</b>      |                                |                                |                           |                                     |                               |                             |               |
| At 1 April 2020          | 287                            | 857                            | 237                       | 232                                 | 19                            | 2                           | 1,634         |
| Charge for the year      | 19                             | 46                             | 12                        | 33                                  | -                             | 13                          | 123           |
| Disposals                | (29)                           | -                              | (104)                     | -                                   | -                             | -                           | (133)         |
| At 31 March 2021         | 277                            | 903                            | 145                       | 265                                 | 19                            | 15                          | 1,624         |
| <b>Net book value</b>    |                                |                                |                           |                                     |                               |                             |               |
| At 31 March 2021         | 844                            | 97                             | 78                        | 56                                  | 27                            | -                           | 1,102         |
| At 31 March 2020         | 863                            | 108                            | 27                        | 74                                  | 15                            | 6                           | 1,093         |

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

|                | 2021<br>£000 | 2020<br>£000 |
|----------------|--------------|--------------|
| Motor vehicles | 74           | 9            |

The depreciation charged in relation to assets held under finance leases or hire purchase contracts was £8,397 (2020: £31,819).

## DUALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 14. Tangible fixed assets (continued)

## Company

|                          | Long term<br>leasehold<br>£000 | Plant and<br>machinery<br>£000 | Fixtures and<br>fittings<br>£000 | Office<br>equipment<br>£000 | Total<br>£000 |
|--------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------|---------------|
| <b>Cost or valuation</b> |                                |                                |                                  |                             |               |
| At 1 April 2020          | 924                            | 4                              | 10                               | 8                           | 946           |
| Additions                | -                              | 1                              | 3                                | 6                           | 10            |
| At 31 March 2021         | 924                            | 5                              | 13                               | 14                          | 956           |
| <b>Depreciation</b>      |                                |                                |                                  |                             |               |
| At 1 April 2020          | 61                             | 4                              | 1                                | 2                           | 68            |
| Charge for the year      | 19                             | -                              | 1                                | 6                           | 26            |
| At 31 March 2021         | 80                             | 4                              | 2                                | 8                           | 94            |
| <b>Net book value</b>    |                                |                                |                                  |                             |               |
| At 31 March 2021         | 844                            | 1                              | 11                               | 6                           | 862           |
| At 31 March 2020         | 863                            | -                              | 9                                | 6                           | 878           |

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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**15. Fixed asset investments****Company**

**Investments  
in subsidiary  
companies  
£000**

**Cost**

At 1 April 2020 and 31 March 2021

4,807

**Net book value**

At 31 March 2021 and 31 March 2020

4,807

**Direct subsidiary undertakings**

The following were direct subsidiary undertakings of the Company:

| <b>Name</b>                     | <b>Registered office</b>  | <b>Principal activity</b>       | <b>Class of shares</b> | <b>Holding</b> |
|---------------------------------|---|---------------------------------|------------------------|----------------|
| Duality Smart Utilities Limited | Unit 19 Hurricane Court,<br>Hurricane Drive,<br>Liverpool International<br>Business Park,<br>Liverpool, L24 8RL | Dormant                         | Ordinary               | 100%           |
| Duality Energy Leasing Limited  | Unit 19 Hurricane Court,<br>Hurricane Drive,<br>Liverpool International<br>Business Park,<br>Liverpool, L24 8RL | Dormant                         | Ordinary               | 100%           |
| Sand Clock Limited *            | Dyson House, Armytage<br>Road, Brighouse,<br>England, HD6 1PT   | Intermediate holding<br>company | Ordinary               | 100%           |
| MIMA Enterprises (UK) Limited * | 2 Queenslie Court,<br>Summerlee Street,<br>Glasgow, G33 4DB   | Intermediate holding<br>company | Ordinary               | 100%           |



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**DUALITY GROUP LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**


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**15. Fixed asset investments (continued)****Indirect subsidiary undertakings**

The following were indirect subsidiary undertakings of the Company:

| <b>Name</b>                                  | <b>Registered office</b>                                  | <b>Principal activity</b>   | <b>Class of shares</b> | <b>Holding</b> |
|--|---|---|------------------------|----------------|
| Dyson Energy Services Limited                | Dyson House, Armytage Road, Brighthouse, England, HD6 1PT | Insulation, heating and renewable energy contractors                            | Ordinary               | 100%           |
| Dyson Distribution Limited                   | Dyson House, Armytage Road, Brighthouse, England, HD6 1PT | Dormant   | Ordinary               | 100%           |
| Gas Call Services Limited                    | 2 Queenslie Court, Summerlee Street, Glasgow, G33 4DB     | Service, maintenance and installation of domestic and commercial gas appliances | Ordinary               | 100%           |
| Gas Educational Training (Glasgow) Limited * | 2 Queenslie Court, Summerlee Street, Glasgow, G33 4DB     | Gas industry training provider  | Ordinary               | 100%           |

\* Companies that are entitled to and have taken advantage of the exemption from audit available under Section 479A of the Companies Act 2006 relating to subsidiary companies. In order for the subsidiary to claim this exemption the parent Company must guarantee all outstanding liabilities that the subsidiary is subject to at the year end under S479C. Accordingly on 24 September 2021, Duality Group Limited guaranteed all outstanding liabilities that these companies were subject to at 31 March 2021.

The aggregate of the share capital and reserves at 31 March 2021 and of the profit and loss for period for the subsidiary undertakings were as follows:

| <b>Name</b>                                | <b>Registered number</b> | <b>Aggregate of share capital and reserves<br/>£'000</b> | <b>Profit/(Loss)<br/>£'000</b> |
|--|--------------------------|--|--------------------------------|
| Gas Educational Training (Glasgow) Limited | SC168032                 | (281)  | (27)                           |
| MIMA Enterprises (UK) Limited              | SC246709                 | 56   | (1)                            |
| Gas Call Services Limited                  | SC163066                 | 2,856  | 1,143                          |
| Sand Clock Limited                         | 04274607                 | 44   | -                              |
| Duality Smart Utilities Limited            | 10321086                 | -  | -                              |
| Duality Energy Leasing Limited             | 10326400                 | -  | -                              |
| Dyson Energy Services Limited              | 01956726                 | (2,420)  | 129                            |
| Dyson Distribution Limited                 | 10867650                 | -  | -                              |

## DUALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 16. Stocks

|                 | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> |
|-----------------|--------------------------------|--------------------------------|
| Good for resale | <b>412</b>                     | <b>370</b>                     |

An impairment loss of £Nil (2020: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

## 17. Debtors

|  | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| <b>Due after more than one year</b>        |                                |                                |                                  |                                  |
| Deferred tax asset                         | 85                             | 621                            | -                                | -                                |
| <b>Due within one year</b>                 |                                |                                |                                  |                                  |
| Trade debtors                              | 5,027                          | 5,100                          | -                                | -                                |
| Amounts owed by group undertakings         | -                              | -                              | 2,725                            | 3,396                            |
| Other debtors                              | 5                              | 17                             | -                                | 4                                |
| Called up share capital not paid           | -                              | 6                              | -                                | 6                                |
| Prepayments and accrued income             | 1,253                          | 1,002                          | 442                              | 53                               |
| Amounts recoverable on long term contracts | 908                            | 734                            | -                                | -                                |
| Tax recoverable                            | -                              | 29                             | -                                | -                                |
| Deferred tax asset                         | 699                            | 258                            | 141                              | 147                              |
|  | <b>7,977</b>                   | <b>7,767</b>                   | <b>3,308</b>                     | <b>3,606</b>                     |

Amounts due from subsidiary undertakings are charged interest at market rate and are due on demand.

Included within Group trade debtors are £3,088,774 (2020: £3,585,602) which have been subject to an asset backed financing arrangement.

An impairment loss of £288,882 (2020: £313,135) was recognised against trade debtors.

## 18. Cash

|                          | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|--------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Cash at bank and in hand | <b>3,093</b>                   | <b>1,299</b>                   | <b>68</b>                        | <b>1</b>                         |

## DUALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 19. Creditors: Amounts falling due within one year

|   | <b>Group</b><br><b>2021</b><br><b>£000</b> | <b>Group</b><br><b>2020</b><br><b>£000</b> | <b>Company</b><br><b>2021</b><br><b>£000</b> | <b>Company</b><br><b>2020</b><br><b>£000</b> |
|---|--|--|--|--|
| Bank loans  | 900  | -  | -  | -  |
| Other loans   | 862  | 810  | 400  | 628  |
| Asset backed financing facility                             | 1,588                                      | 1,929                                      | -  | -  |
| Trade creditors   | 3,241                                      | 2,816                                      | 242  | 57   |
| Company voluntary arrangement                               | -  | 407  | -  | -  |
| Amounts owed to group undertakings                          | -  | -  | 1,540  | 1,534  |
| Amounts owed to related parties                             | 17   | 17   | -  | -  |
| Corporation tax   | 27   | -  | -  | -  |
| Other taxation and social security                          | 950  | 507  | 66   | 38   |
| Obligations under finance lease and hire purchase contracts | 11   | 12   | -  | -  |
| Other creditors   | 4,068                                      | 4,804                                      | 4,030  | 4,798  |
| Accruals and deferred income                                | 1,185                                      | 853  | 17   | 40   |
|   | <b>12,849</b>                              | <b>12,155</b>                              | <b>6,295</b>                                 | <b>7,095</b>                                 |

The asset backed financing arrangement is secured by a fixed and floating charge over the current and future assets of the Group. The directors have provided personal guarantees totaling £150,000 (2020: £150,000) in favour of Independent Growth Finance Limited, the provider of the facility.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Shareholders loan accounts have been included within other creditors. 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 of approval of the financial statements. The loans accrue interest at a market equivalent rate of 5%.

On 14 December 2017, Dyson Energy Services Limited had entered into a Company Voluntary Arrangement ('CVA' hereafter) which comprised of certain creditors of the Company. The CVA was for a 66 month fixed term and included fixed monthly contributions as well as additional contributions based on the Company's trading performance. Prior to the exit from the CVA (see Strategic Report) in July 2020, the Company had fulfilled all of its obligations to make payments to creditors, via its CVA Supervisors during the current year.

As a result, the outstanding creditors in relation to the CVA were reduced, resulting in a £1.4m credit to the Statement of Income and Retained Earnings in the year ended 31 March 2020.

Other loans consist of loan notes issued in relation to the acquisition of MIMA Enterprises (UK) Limited. The principal amount of these loan notes is £400,000 which is repayable in installments until August 2021. Interest is charged at 3% per annum on the principal amount outstanding.

## DUALITY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 20. Creditors: Amounts falling due after more than one year

|  | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Bank loans   | 1,125                          | -                              | -                                | -                                |
| Other loans  | -                              | 531                            | -                                | 410                              |
| Obligations under finance leases and hire purchase contracts | 67                             | 9                              | -                                | -                                |
|  | <b>1,192</b>                   | <b>540</b>                     | <b>-</b>                         | <b>410</b>                       |

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Other loans consist of loan notes issued in relation to the acquisition of MIMA Enterprises (UK) Limited. The principal amount of these loan notes £400,000 which are repayable in installments until August 2021. Interest is charged at 3% per annum on the principal amount outstanding.

## 21. Loans

|  | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> | <b>Company<br/>2021<br/>£000</b> | <b>Company<br/>2020<br/>£000</b> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| <b>Amounts falling due within one year</b> |                                |                                |                                  |                                  |
| Bank loans                                 | 900                            | -                              | -                                | -                                |
| Other loans                                | 862                            | 810                            | 400                              | 628                              |
| <b>Amounts falling due 1-2 years</b>       |                                |                                |                                  |                                  |
| Bank loans                                 | 1,125                          | -                              | -                                | -                                |
| Other loans                                | -                              | 531                            | -                                | 410                              |
|  | <b>2,887</b>                   | <b>1,341</b>                   | <b>400</b>                       | <b>1,038</b>                     |

## 22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

|                   | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|-------------------|----------------------|----------------------|
| Within one year   | 11                   | 12                   |
| Between 1-5 years | 67                   | 9                    |
|                   | <b>78</b>            | <b>21</b>            |

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**23. Deferred taxation****Group**

**2021  
£000**

At beginning of year **880**  
Charged to the statement of income and retained earnings **(96)**

**At end of year** **784**

**Company**

**2021  
£000**

At beginning of year **147**  
Charged to the statement of income and retained earnings **(6)**

**At end of year** **141**

|                                 | <b>Group<br/>2021<br/>£000</b> | <i>Group<br/>2020<br/>£000</i> | <b>Company<br/>2021<br/>£000</b> | <i>Company<br/>2020<br/>£000</i> |
|---------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Fixed assets timing differences | <b>(1)</b>                     | 73                             | <b>(55)</b>                      | <i>(4)</i>                       |
| Short term timing differences   | <b>207</b>                     | 160                            | <b>196</b>                       | <i>151</i>                       |
| Losses and other deductions     | <b>578</b>                     | 647                            | <b>-</b>                         | <i>-</i>                         |
|                                 | <b>784</b>                     | <i>880</i>                     | <b>141</b>                       | <i>147</i>                       |

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**24. Share capital**

|  | 2021<br>£  | 2020<br>£  |
|--|------------|------------|
| <b>Allotted, called up and fully paid</b>  |            |            |
| 50 (2020: 50) A Ordinary shares of £1 each | 50         | 50         |
| 50 (2020: 50) B Ordinary shares of £1 each | 50         | 50         |
| 12 (2020: 12) C Ordinary shares of £1 each | 12         | 12         |
| 6 (2020: 6) D Ordinary shares of £1 each   | 6          | 6          |
|  | <u>118</u> | <u>118</u> |

All shares rank pari passu in relation to dividends, voting rights and any payments made on winding up.

**25. Provisions****Group**

|                         | Other<br>provision<br>£000 |
|-------------------------|----------------------------|
| At 1 April 2020         | 695                        |
| Release of provision    | (287)                      |
| <b>At 31 March 2021</b> | <u><b>408</b></u>          |

The provision recognised at 31 March 2021 totalling £408,302 (2020: £695,178) is held in respect of potential liabilities for ongoing legal claims relating to cavity wall insulation. Management have calculated the provision in accordance with FRS 102 section 21 and have utilised a third party expert in determining the provision to be recognised.

**26. Reserves****Share capital**

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

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

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

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**DUALITY GROUP LIMITED**


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**27. Capital commitments**

The Group and Company had no capital commitments as at 31 March 2021 and 31 March 2020.

**28. Contingent liabilities**

The Group and Company had no contingent liabilities as at 31 March 2021 and 31 March 2020.

**29. 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 £291,515 (2020: £257,000). Contributions totaling £53,961 (2020: £84,168) were payable to the fund at the reporting date and are included in creditors.

**30. Commitments under operating leases**

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | <b>Group<br/>2021<br/>£000</b> | <b>Group<br/>2020<br/>£000</b> |
|--|--------------------------------|--------------------------------|
| Not later than 1 year                        | 519                            | 492                            |
| Later than 1 year and not later than 5 years | 1,435                          | 1,317                          |
| Later than 5 years                           | 9                              | 150                            |
|  | <u><b>1,963</b></u>            | <u><b>1,959</b></u>            |

**31. Related party transactions**

During the period shareholders S Maclean and M Holmes have loans of £4,100,000 (2020: £4,800,000) owed from Company, £3,900,000 and £200,000 respectively (2020: £4,500,000 and £300,000 respectively). The balance is included within other creditors within creditors due within 1 year. 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 £478,326 (2020: £360,830). Amounts outstanding at the year end, included within creditors, is £2,006 (2020: £1,800).

The Group engages Intelihome (UK) Ltd for general consultancy services. M Donnelly is a director of both companies. During the year, the Group paid for consultancy services for £136,792 (2020: £90,904). Amounts outstanding at the year end, included within creditors, is £15,174 (2020: £14,707).

Mike Donnelly has loan notes of £320,000 and Mary Donnelly has loan notes of £80,000 owed from Duality Group Limited in relation to the acquisition of MIMA Enterprises (UK) Limited. Mary Donnelly is a related party as she is a former shareholder of MIMA Enterprises (UK) Limited.

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**32. Post balance sheet events**

The impact on the Company arising from the Covid 19 outbreak has been considered by the directors. There are no adjusting or non-adjusting events which have come to light at this current time.

Gas Call Services Limited acquired 100% of ordinary share capital in WRB Gas (Contracts) Limited on the 30th July 2021.

**33. 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 2021.