

Company Registration No. 11898062 (England and Wales)

DIG INTERNATIONAL GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

DIG INTERNATIONAL GROUP LIMITED

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DIG INTERNATIONAL GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£
Fixed assets			
Tangible assets	3		1,403,775
Current assets			
Stocks		70,456	
Debtors	4	3,078,585	
Cash at bank and in hand		279,676	
		<u>3,428,717</u>	
Creditors: amounts falling due within one year	5	<u>(4,026,620)</u>	
Net current liabilities			(597,903)
Total assets less current liabilities			<u>805,872</u>
Provisions for liabilities	6		(158,798)
Net assets			<u>647,074</u>
Capital and reserves			
Called up share capital	7		3
Profit and loss reserves			<u>647,071</u>
Total equity			<u>647,074</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:

Mr R T Evans
Director

Company Registration No. 11898062

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

Company information

DIG International Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Stradey Business Centre, South Mwrwg Road, Llangennech, Llanelli, Carmarthenshire, Wales, SA14 8YP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The period ended 31 March 2020 was the company's first period of trade following incorporation on 22 March 2019 and the company generated a profit for the financial year of £647,071. As at 31 March 2020 the company had net assets of £647,074 but net current liabilities of £597,903.

The directors have reviewed the balance sheet, assessed the likely future cash flows of the business and considered the facilities that are in place. The company undertakes large scale civil engineering contracts on an international basis, and as at the date of signing the report the company has secured significant contracts, which, based on the detailed profit and loss, balance sheet and cash flow forecasts prepared, would allow the company to operate within its facilities for a period of at least 12 months from the date of the signing these financial statements.

However, the future trading position and cash requirement of the business can be difficult to evaluate due to the uncertainty over the timing and extent of contract work to be undertaken, and therefore the directors have considered a range of reasonably foreseeable potential scenarios (based on secured and speculative contract positions). A significant element of the work secured and currently on-going is currently with one international customer and any delays or issues with this contract could have a significant financial impact. The directors recognise that this represents a material uncertainty but are confident that should any issues arise, they have the ability to reduce costs during this period and to secure additional contracted work which would allow the company to continue to operate within its existing facilities. The Directors have c.11 years' experience in working overseas on similar projects and a track record of delivering repeat work and business continuity in this environment. Indeed the company currently has a significant multi-year contract which was commenced in the year ended 31 March 2020, but works on which were suspended by the customer whilst they looked to resolve an in-territory matter. This work has not recommenced as at the date of approval of these financial statements but should this restart this would provide a significant additional income stream for the company.

Based on the future forecasts of the company and the work secured to date, the directors consider it appropriate to prepare the financial statements on a going concern basis.

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.3 Reporting period

These financial statements are for the period from incorporation of the company on 22 March 2019 to 31 March 2020.

1.4 Turnover

Turnover, which represents the value of civil engineering works undertaken, is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be measured reliably. Turnover is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Long term contract balances are assessed on a contract by contract basis and are reflected in the profit and loss account as contract activity progresses. Any expected losses on long term contract balances are recognised immediately and are written off to the profit and loss account. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract.

On short term contracts turnover and profits are recognised when invoices are raised for certified work undertaken. The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on long-term contracts" and separately disclosed within debtors. Where progress payments are in excess of recognised turnover, the excess is included in creditors as "payments received on account".

Long-term contracts

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account.

The stage of completion is measured in relation to the length of each contract on a straight line basis.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% straight line
Computers	20% straight line
Motor vehicles	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

1.7 Stocks

Stocks and work in progress (other than long term contract balances) are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

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

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2020 Number
Total	129

3 Tangible fixed assets

	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost				
At 22 March 2019	-	-	-	-
Additions	1,984,846	36,667	229,057	2,250,570
Disposals	(562,166)	-	-	(562,166)
At 31 March 2020	1,422,680	36,667	229,057	1,688,404
Depreciation and impairment				
At 22 March 2019	-	-	-	-
Depreciation charged in the period	296,772	4,970	39,961	341,703
Eliminated in respect of disposals	(57,074)	-	-	(57,074)
At 31 March 2020	239,698	4,970	39,961	284,629
Carrying amount				
At 31 March 2020	1,182,982	31,697	189,096	1,403,775

4 Debtors

	2020 £
Amounts falling due within one year:	
Trade debtors	661,586
Gross amounts owed by contract customers	2,321,933
Amounts owed by group undertakings	6,000
Other debtors	9,889
Prepayments and accrued income	79,177
	3,078,585

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

5 Creditors: amounts falling due within one year

	2020 £
Payments received on account	2,867,640
Trade creditors	268,842
Taxation and social security	34,606
Other creditors	508,029
Accruals and deferred income	347,503
	<u>4,026,620</u>

6 Provisions for liabilities

	2020 £
Deferred tax liabilities	158,798
	<u>158,798</u>

7 Called up share capital

	2020 Number	2020 £
Ordinary share capital		
Issued and fully paid		
Ordinary of £1 each	3	3
	<u>3</u>	<u>3</u>

On incorporation the company issued 3 ordinary shares of £1 each, which were issued at par.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Material uncertainty related to going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. Should there be a delay in the secured contracted work to be delivered and therefore the forecasts prepared by the board not be realised, further contracted work would need to be sought and secured to support the cashflow position. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was James Edward Dobson BSc(Hons) FCA.

The auditor was Azets Audit Services.

DIG INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

9 Directors' transactions

As at 31 March 2020, balances owed to the directors by the company amounted to £104,287. These amounts are interest free, unsecured and have no fixed terms for repayment. The amounts are included within other creditors falling due within one year.

10 Parent company

The immediate parent company is DIG Civil Engineering Limited, a company registered in the United Kingdom, by virtue of its 100% holding of the share capital of the company.

The directors consider there to be no ultimate controlling party of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.