

Registered number: 03869630

DYNAMIC TECHNOLOGIES EUROPE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



DYNAMIC TECHNOLOGIES EUROPE LTD

COMPANY INFORMATION

Directors	J Raja C Raja
Company secretary	J Raja
Registered number	03869630
Registered office	Unit 3 Integra Thornton Chase Linford Wood Milton Keynes Buckinghamshire MK14 6FD
Independent auditor	MHA MacIntyre Hudson Peterbridge House The Lakes Northampton NN4 7HB

DYNAMIC TECHNOLOGIES EUROPE LTD

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DYNAMIC TECHNOLOGIES EUROPE LTD

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction

The directors present the Strategic Report and financial statements for the year ended 31 December 2021.

Business review

2021 continued to be a successful period of business, for all associated companies within DTE, offering our customers further solutions and products to drive their own continuous development and success.

One of the main highlights was the increase in our Gross Profit percentage from 27% to 40% from 2020 to 2021, This has been an ongoing rise from that of 11 - 16% in prior years, This is mainly due to factors such as an ongoing culture change, continued procurement improvements and a focus on our extensive services offered to our customers.

While the Turnover has decreased from £34,419,668 to £22,339,710, this was merely down to timing of projects and was expected. Away from project work our core business remains strong with an increase in turnover of 55% from 2020 to 2021.

With Covid-19 still affecting some business, we were still able to navigate effectively through this period and ensure a smooth operation and uninterrupted service for all our stakeholders.

We also as part of our Brexit strategy was able to set up a physical distribution centre in Germany in 2021 and this has been majorly successful in combatting any export/import concerns and has also enabled us to extended our partner list globally with further access to distribution.

Principal risks and uncertainties

The principal financial risks faced by the Company, and the Company's objectives and policies in relation to those risks are as follows:

Credit risk:

Credit risk arises if the company is unable to recover sums due from customers. The company has strong procedures in place with regard to credit control to minimise bad debt.

Financial key performance indicators

The company measures its financial performance using the following measures:

Gross profit %:

For 2021 the gross profit % was 40% and for 2020 it was 27% - an increase of 13%.

Cash and cash equivalents:

Cash and cash equivalents was £4,330,221 at y/e 2021 and £1,228,852 at y/e 2020 - an increase of 252%.

Current ratio:

The current ratio has increased from 2.13 at y/e 2020 to 2.80 at y/e 2021.

Acid test ratio:

The acid test ratio has increased from 1.69 at y/e 2020 to 2.02 at y/e 2021.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

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


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J Raja
Director

Date: 21/11/22

DYNAMIC TECHNOLOGIES EUROPE LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 to 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.

Principal activity

The principal activity of the Company during the year was that of IT equipment suppliers and consultants.

Results and dividends

The profit for the year, after taxation, amounted to £2,478,225 (2020 - £4,015,502).

No dividends were paid in the current or prior year.

Directors

The directors who served during the year were:

J Raja
C Raja

Future developments

The Directors intend for the Group to continue its strategy of organic growth.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

Since the year end there has been a shareholder buyout and J Raja now holds 95% of the share capital..

Auditor

The auditor, MHA MacIntyre Hudson, 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.



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J Raja
Director

Date:

21/11/22

DYNAMIC TECHNOLOGIES EUROPE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYNAMIC TECHNOLOGIES EUROPE LTD

Opinion

We have audited the financial statements of Dynamic Technologies Europe Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 December 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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.

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 or 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

DYNAMIC TECHNOLOGIES EUROPE LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYNAMIC TECHNOLOGIES EUROPE LTD
(CONTINUED)**

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.

Opinion 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.

Matters on which we are required to report by exception

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.

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.

DYNAMIC TECHNOLOGIES EUROPE LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYNAMIC TECHNOLOGIES EUROPE LTD
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Group financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditor's Report.

DYNAMIC TECHNOLOGIES EUROPE LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DYNAMIC TECHNOLOGIES EUROPE LTD
(CONTINUED)**

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.



Adam Young ACA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Statutory Auditors
Northampton, United Kingdom
Date: 21/11/2022

DYNAMIC TECHNOLOGIES EUROPE LTD

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Turnover	22,339,710	34,419,668
Cost of sales	(13,336,699)	(25,075,641)
Gross profit	9,003,011	9,344,027
Administrative expenses	(5,916,949)	(4,448,928)
Other operating income	5 5,917	11,347
Operating profit	3,091,979	4,906,446
Interest receivable and similar income	1,571	9
Interest payable and similar expenses	(17,508)	(17,496)
Profit before tax	3,076,042	4,888,959
Tax on profit	(597,817)	(873,457)
Profit after tax	2,478,225	4,015,502
Retained earnings at the beginning of the year	6,474,288	2,458,786
	6,474,288	2,458,786
Profit for the year attributable to the owners of the parent	2,478,225	4,015,502
Retained earnings at the end of the year	8,952,513	6,474,288

DYNAMIC TECHNOLOGIES EUROPE LTD
REGISTERED NUMBER: 03869630

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	62,759	54,904
		<u>62,759</u>	<u>54,904</u>
Current assets			
Stocks		3,887,359	2,497,276
Debtors: amounts falling due within one year	16	3,919,496	7,070,678
Cash at bank and in hand	17	4,154,856	1,229,093
		<u>11,961,711</u>	<u>10,797,047</u>
Creditors: amounts falling due within one year		<u>(3,064,253)</u>	<u>(4,366,472)</u>
Net current assets		<u>8,897,458</u>	<u>6,430,575</u>
Total assets less current liabilities		<u>8,960,217</u>	<u>6,485,479</u>
Provisions for liabilities			
Deferred tax	19	(7,604)	(11,091)
		<u>(7,604)</u>	<u>(11,091)</u>
Net assets		<u>8,952,613</u>	<u>6,474,388</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		8,952,513	6,474,288
		<u>8,952,613</u>	<u>6,474,388</u>

DYNAMIC TECHNOLOGIES EUROPE LTD
REGISTERED NUMBER: 03869630

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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


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J Raja
Director

Date: 21/11/22

The notes on pages 17 to 33 form part of these financial statements.

DYNAMIC TECHNOLOGIES EUROPE LTD
REGISTERED NUMBER: 03869630

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	56,876	54,904
Investments	14	1,000	1,000
		<u>57,876</u>	<u>55,904</u>
Current assets			
Stocks		1,709,433	680,328
Debtors: amounts falling due within one year	16	3,621,675	6,096,886
Cash at bank and in hand	17	2,165,949	440,480
		<u>7,497,057</u>	<u>7,217,694</u>
Creditors: amounts falling due within one year		<u>(2,784,897)</u>	<u>(2,843,633)</u>
Net current assets		<u>4,712,160</u>	<u>4,374,061</u>
Total assets less current liabilities		<u>4,770,036</u>	<u>4,429,965</u>
Provisions for liabilities			
Deferred taxation	19	(7,604)	(11,091)
		<u>(7,604)</u>	<u>(11,091)</u>
Net assets		<u>4,762,432</u>	<u>4,418,874</u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account brought forward		4,418,774	2,484,218
Profit for the year		343,558	1,934,556
Profit and loss account carried forward		<u>4,762,332</u>	<u>4,418,774</u>
		<u>4,762,432</u>	<u>4,418,874</u>

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

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J Raja
 Director

21/11/22

The notes on pages 17 to 33 form part of these financial statements.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2020	100	2,458,786	2,458,886	2,458,886
Comprehensive income for the year				
Profit for the year	-	4,015,502	4,015,502	4,015,502
Total comprehensive income for the year	-	4,015,502	4,015,502	4,015,502
At 1 January 2021	100	6,474,288	6,474,388	6,474,388
Comprehensive income for the year				
Profit for the year	-	2,478,225	2,478,225	2,478,225
Total comprehensive income for the year	-	2,478,225	2,478,225	2,478,225
At 31 December 2021	100	8,952,513	8,952,613	8,952,613

The notes on pages 17 to 34 form part of these financial statements.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100	2,484,218	2,484,318
Comprehensive income for the year			
Profit for the year	-	1,934,556	1,934,556
Total comprehensive income for the year	-	1,934,556	1,934,556
At 1 January 2021	100	4,418,774	4,418,874
Comprehensive income for the year			
Profit for the year	-	343,558	343,558
Total comprehensive income for the year	-	343,558	343,558
At 31 December 2021	100	4,762,332	4,762,432

The notes on pages 17 to 34 form part of these financial statements.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,478,225	4,015,502
Adjustments for:		
Depreciation of tangible assets	12,437	8,788
Loss on disposal of tangible assets	(260)	2,057
Government grants	(5,917)	(11,347)
Interest paid	17,508	17,496
Interest received	(1,571)	(9)
Taxation charge	597,817	873,457
(Increase) in stocks	(1,390,083)	(1,854,673)
Decrease/(increase) in debtors	3,151,282	(3,572,619)
(Decrease)/increase in creditors	(1,263,333)	2,555,992
Increase/(decrease) in amounts owed to groups	-	(35,343)
Corporation tax (paid)	(639,949)	(695,102)
Net cash generated from operating activities	2,956,156	1,304,199
Cash flows from investing activities		
Purchase of tangible fixed assets	(42,266)	(32,765)
Sale of tangible fixed assets	22,234	-
Government grants received	5,917	11,347
Interest received	1,571	9
Net cash from investing activities	(12,544)	(21,409)

DYNAMIC TECHNOLOGIES EUROPE LTD

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

	2021 £	2020 £
Cash flows from financing activities		
Issue of ordinary shares	(100)	-
Movements on invoice discounting	-	(105,379)
Interest paid	(17,508)	(17,496)
Net cash used in financing activities	<u>(17,608)</u>	<u>(122,875)</u>
Net increase in cash and cash equivalents	2,926,004	1,159,915
Cash and cash equivalents at beginning of year	1,228,852	68,937
Cash and cash equivalents at the end of year	<u>4,154,856</u>	<u>1,228,852</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,154,856	1,229,093
Bank overdrafts	-	(241)
	<u>4,154,856</u>	<u>1,228,852</u>

The notes on pages 17 to 34 form part of these financial statements.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

1. General information

Dynamic Technologies Europe Ltd is a private company limited by shares, domiciled in England and Wales, registered number 03869630. The registered office and principal place of business is Unit 3 Integra, Thornton Chase, Linford Wood, Milton Keynes, MK14 6FD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment 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 Income and Retained Earnings 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 Balance Sheet, 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 Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, and the impact of subsequent events in making their assessment.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

2. Accounting policies (continued)

2.5 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:

Sale of goods

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

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

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the 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.

2.6 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 Income and Retained Earnings in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Income and Retained Earnings using the effective interest method.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Income and Retained Earnings in the year in which they are incurred.

2.10 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 Consolidated Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

2.12 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.

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 and reducing balance basis..

Depreciation is provided on the following basis:

Plant and machinery	- 20% on cost
Motor vehicles	- 5 years straight line
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

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.

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

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

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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 immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

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

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

2.17 Creditors

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

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

2. Accounting policies (continued)

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 Consolidated Statement of Income and Retained Earnings in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Income and Retained Earnings.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily separated from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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.

Depreciation rates are a key source of estimation uncertainty. These are reviewed on an ongoing basis with reference to historic information and current market data.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
IT Equipment	22,339,710	34,419,668
	<u>22,339,710</u>	<u>34,419,668</u>

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	9,329,010	10,873,196
Rest of Europe	6,010,300	7,069,967
Rest of the World	7,000,400	16,476,505
	<u>22,339,710</u>	<u>34,419,668</u>

5. Other operating income

	2021	2020
	£	£
Government grants receivable	5,917	11,347
	<u>5,917</u>	<u>11,347</u>

DYNAMIC TECHNOLOGIES EUROPE LTD

NOTES TO THE FINANCIAL STATEMENTS
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6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Exchange differences	55,641	161,602

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	17,500	17,500

8. Employees

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

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Wages and salaries	3,775,816	2,755,708	3,495,064	2,741,633
Social security costs	429,646	306,836	405,176	306,836
Cost of defined contribution scheme	21,926	14,480	21,926	14,480
	<u>4,227,388</u>	<u>3,077,024</u>	<u>3,922,166</u>	<u>3,062,949</u>

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

	2021	2020
	No.	No.
Number of employees	31	26

The Company has no employees other than the directors, who did not receive any remuneration (2020 - *£NIL*)

DYNAMIC TECHNOLOGIES EUROPE LTD

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

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	1,729,092	1,393,576
	<u>1,729,092</u>	<u>1,393,576</u>

The highest paid director received remuneration of £1,729,092 (2020 - £1,393,576).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	1,571	9
	<u>1,571</u>	<u>9</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Other loan interest payable	17,508	17,496
	<u>17,508</u>	<u>17,496</u>

DYNAMIC TECHNOLOGIES EUROPE LTD

**NOTES TO THE FINANCIAL STATEMENTS
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12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	533,332	1,004,970
Adjustments in respect of previous periods	67,972	(136,337)
	<u>601,304</u>	<u>868,633</u>
Total current tax	<u>601,304</u>	<u>868,633</u>
Deferred tax		
Origination and reversal of timing differences	(3,487)	4,824
Total deferred tax	<u>(3,487)</u>	<u>4,824</u>
Taxation on profit on ordinary activities	<u>597,817</u>	<u>873,457</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19 %) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,076,042</u>	<u>4,888,959</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19 %)	584,448	928,902
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	10,248	9,542
Adjustments to tax charge in respect of prior periods	67,971	(136,337)
Double taxation relief	(33,719)	(11,028)
Other differences leading to an increase (decrease) in the tax charge	(31,131)	82,378
Total tax charge for the year	<u>597,817</u>	<u>873,457</u>

DYNAMIC TECHNOLOGIES EUROPE LTD

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

12. Taxation (continued)**Factors that may affect future tax charges**

On 24 May 2021 the UK Government substantively enacted the increase in the Corporation Tax rate from 19% to 25% with effect from 1 April 2023.

13. Tangible fixed assets**Group**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	15,244	25,475	25,996	39,974	106,689
Additions	5,883	36,383	-	-	42,266
Disposals	-	(26,158)	-	-	(26,158)
At 31 December 2021	<u>21,127</u>	<u>35,700</u>	<u>25,996</u>	<u>39,974</u>	<u>122,797</u>
Depreciation					
At 1 January 2021	6,294	2,036	17,865	25,590	51,785
Charge for the year on owned assets	2,445	5,359	2,957	1,676	12,437
Disposals	-	(4,184)	-	-	(4,184)
At 31 December 2021	<u>8,739</u>	<u>3,211</u>	<u>20,822</u>	<u>27,266</u>	<u>60,038</u>
Net book value					
At 31 December 2021	<u>12,388</u>	<u>32,489</u>	<u>5,174</u>	<u>12,708</u>	<u>62,759</u>
At 31 December 2020	<u>8,950</u>	<u>23,439</u>	<u>8,131</u>	<u>14,384</u>	<u>54,904</u>

DYNAMIC TECHNOLOGIES EUROPE LTD

**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)**Company**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	15,244	25,475	25,996	39,974	106,689
Additions	-	36,383	-	-	36,383
Disposals	-	(26,158)	-	-	(26,158)
At 31 December 2021	<u>15,244</u>	<u>35,700</u>	<u>25,996</u>	<u>39,974</u>	<u>116,914</u>
Depreciation					
At 1 January 2021	6,294	2,036	17,865	25,590	51,785
Charge for the year on owned assets	2,445	5,359	2,957	1,676	12,437
Disposals	-	(4,184)	-	-	(4,184)
At 31 December 2021	<u>8,739</u>	<u>3,211</u>	<u>20,822</u>	<u>27,266</u>	<u>60,038</u>
Net book value					
At 31 December 2021	<u>6,505</u>	<u>32,489</u>	<u>5,174</u>	<u>12,708</u>	<u>56,876</u>
At 31 December 2020	<u>8,950</u>	<u>23,439</u>	<u>8,131</u>	<u>14,384</u>	<u>54,904</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	1,000
At 31 December 2021	<u>1,000</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Dynamic Technologies US LLC	Ordinary	100%
Dynamic Technologies GmbH	Ordinary	100%
Infinite Edge Technologies Ltd	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Dynamic Technologies US LLC	3,873,812	1,808,056
Dynamic Technologies GmbH	310,730	319,830
Infinite Edge Technologies Ltd	6,881	6,781

15. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	3,887,359	2,497,276	1,709,433	680,328
	<u>3,887,359</u>	<u>2,497,276</u>	<u>1,709,433</u>	<u>680,328</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	2,177,793	4,101,007	1,630,975	2,893,128
Amounts owed by group undertakings	-	-	867,666	654,487
Other debtors	1,681,167	2,910,552	1,067,007	2,498,157
Called up share capital not paid	100	-	-	-
Prepayments and accrued income	60,436	59,119	56,027	51,114
	<u>3,919,496</u>	<u>7,070,678</u>	<u>3,621,675</u>	<u>6,096,886</u>

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	4,154,856	1,229,093	2,165,949	440,480
Less: bank overdrafts	-	(241)	-	(241)
	<u>4,154,856</u>	<u>1,228,852</u>	<u>2,165,949</u>	<u>440,239</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	241	-	241
Trade creditors	906,850	2,571,460	781,106	1,284,393
Amounts owed to group undertakings	-	-	157,945	-
Corporation tax	134,886	173,531	74,071	173,531
Other taxation and social security	1,382,052	1,102,397	1,230,212	866,625
Other creditors	346,988	390,196	346,988	390,196
Accruals and deferred income	293,477	128,647	194,575	128,647
	<u>3,064,253</u>	<u>4,366,472</u>	<u>2,784,897</u>	<u>2,843,633</u>

DYNAMIC TECHNOLOGIES EUROPE LTD

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

19. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(11,091)	(6,267)
Charged to profit or loss	3,487	(4,824)
At end of year	<u>(7,604)</u>	<u>(11,091)</u>

Company

	2021 £	2020 £
At beginning of year	(11,091)	(6,267)
Charged to profit or loss	3,487	(4,824)
At end of year	<u>(7,604)</u>	<u>(11,091)</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(7,604)	(11,091)	(7,604)	(11,091)
	<u>(7,604)</u>	<u>(11,091)</u>	<u>(7,604)</u>	<u>(11,091)</u>

20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid 100 (2020 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

21. Reserves

Profit and loss account

Includes all current and prior year retained profits and losses.

DYNAMIC TECHNOLOGIES EUROPE LTD

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

22. Commitments under operating leases

At 31 December 2021 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2021	2020
	£	£
Not later than 1 year	134,867	134,867
Later than 1 year and not later than 5 years	325,854	385,721
Later than 5 years	112,500	187,500
	573,221	708,088

23. Transactions with directors

At 31 December 2021, one of the directors, J Raja, owed the Company £Nil (2020 - £6,000) in respect of loans and advances made by the Company.

At 31 December 2021 there was a loan owed to J Raja of £330,913 (2020 - £369,374). There are no set terms for repayment and no interest is accruing on the loan.

24. Related party transactions

In the year ended 31 December 2021 the Company purchased goods totalling £5,035 (£15,000 - 2020) from a Company with a Director in common.

At 31 December 2021, a shareholder owed the Company £102,880 (2020 - £102,880), this loan was written off at year end.

The Company has taken advantage of the exemption available in Section 33.1A of FRS102 not to disclose transactions with its wholly owned subsidiary.

25. Post balance sheet events

After the year end the Company has completed a shareholder buy out and the company is now owned 95% by the director and shareholder J Raja.

26. Controlling party

There is no ultimate controlling party for either this or the previous accounting period.

After the year end J Raja purchased the additional 50% of the company shares and is the controlling party.

DYNAMIC TECHNOLOGIES EUROPE LTD

**NOTES TO THE FINANCIAL STATEMENTS
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27. Contingent liabilities

The Company has guaranteed the liabilities of its subsidiary, Infinite Edge Technologies Ltd, as at 31 December 2021.