

COMPANY REGISTRATION NUMBER: 07447978

Dynergy Ltd
Financial Statements
31 May 2022

K B M UK LIMITED

Chartered Certified Accountants & statutory auditor

1 Concord Business Centre

Concord Road

London

UK

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Dynergy Ltd
Financial Statements
Year ended 31 May 2022

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Dynergy Ltd

Officers and Professional Advisers

Director	Mr Mark A McKenna
Registered office	Unit 3 Ursula Lapp Estate Old Oak Lane London United Kingdom NW10 6UD
Auditor	K B M UK Limited Chartered Certified Accountants & statutory auditor 1 Concord Business Centre Concord Road London UK W3 0TJ
Bankers	Barclays 1250 High Road London United Kingdom N20 9PB

Dynergy Ltd
Strategic Report
Year ended 31 May 2022

The company is an online retailer based in North West London. Our strategic position allows easy and fast delivery to the UK and Europe.

Business review and future developments

The business continues to implement its business plan and expects to see growth despite the challenging market conditions.

Principle risks and uncertainties:

The entity management stays perpetually involved in identifying financial, operating and market risks that can affect business performance and instantly introduce controls to mitigate the impact of material risks being identified. The company enjoys stable financial positions and have diversified financial risks by effective investment planning. Operating risks are considered on an ongoing basis and necessary actions are normally put in place as soon as any material operating uncertainty arises.

Financial key performance indicators:

The company uses a number of key performance indicators when assessing and driving performance. The key financial performance indicators are comparison against budget and prior year performance, gross margin, subcontractor cost as a proportion of sales and EBITDA.

This report was approved by the board of directors on 26/01/2023 and signed on behalf of the board by:



Mr Mark A McKenna
Director

Registered office:
Unit 3 Ursula Lapp Estate
Old Oak Lane
London
United Kingdom
NW10 6UD

Dynergy Ltd
Director's Report
Year ended 31 May 2022

The director presents his report and the financial statements of the company for the year ended 31 May 2022.

Director

The director who served the company during the year was as follows:

Mr Mark A McKenna

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies 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 company will continue in business.

The director is 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 enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Dynergy Ltd

Director's Report *(continued)*

Year ended 31 May 2022

This report was approved by the board of directors on 26/01/2023 and signed on behalf of the board by:



Mr Mark A McKenna
Director

Registered office:
Unit 3 Ursula Lapp Estate
Old Oak Lane
London
United Kingdom
NW10 6UD

Dynergy Ltd
Independent Auditor's Report to the Members of Dynergy Ltd
Year ended 31 May 2022

Opinion

We have audited the financial statements of Dynergy Ltd (the 'company') for the year ended 31 May 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows 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 FRS 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 company's affairs as at 31 May 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

In auditing the financial statements, we have concluded that the director's 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 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 director with respect to going concern are described in the relevant sections of this report.

Dynergy Ltd

Independent Auditor's Report to the Members of Dynergy Ltd *(continued)*

Year ended 31 May 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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, or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of director's remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
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Dynergy Ltd

Independent Auditor's Report to the Members of Dynergy Ltd *(continued)*

Year ended 31 May 2022

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has 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.

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:

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
 - Conclude on the appropriateness of the director's 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
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Dynergy Ltd

Independent Auditor's Report to the Members of Dynergy Ltd *(continued)*

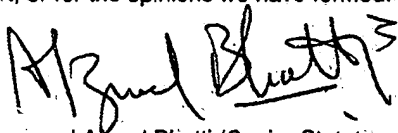
Year ended 31 May 2022

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Mohammad Afzaal Bhatti (Senior Statutory Auditor)

For and on behalf of
K B M UK Limited
Chartered Certified Accountants & statutory auditor
1 Concord Business Centre
Concord Road
London
UK
W3 0TJ

26 January 2022

Dynergy Ltd
Statement of Income and Retained Earnings
Year ended 31 May 2022

		2022	2021
	Note	£	£
Turnover	4	13,016,662	16,824,217
Cost of sales		10,805,933	14,595,832
Gross profit		2,210,729	2,228,385
Administrative expenses		1,683,723	1,033,603
Operating profit	5	527,006	1,194,782
Other interest receivable and similar income	9	10,218	13,395
Profit before taxation		537,224	1,208,177
Tax on profit	10	100,751	228,313
Profit for the financial year and total comprehensive income		436,473	979,864
Dividends paid and payable	11	(24,000)	(24,000)
Retained earnings at the start of the year		8,637,368	7,681,504
Retained earnings at the end of the year		9,049,841	8,637,368

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these financial statements.

Dynergy Ltd
Statement of Financial Position
31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	36,235	35,033
Investments	13	250,000	250,000
		<u>286,235</u>	<u>285,033</u>
Current assets			
Stocks	14	2,420,042	1,615,986
Debtors	15	8,767,129	7,180,351
Cash at bank and in hand		504,245	682,880
		<u>11,691,416</u>	<u>9,479,217</u>
Creditors: amounts falling due within one year	16	<u>2,819,616</u>	<u>1,019,210</u>
Net current assets		<u>8,871,800</u>	<u>8,460,007</u>
Total assets less current liabilities		<u>9,158,035</u>	<u>8,745,040</u>
Creditors: amounts falling due after more than one year	17	83,805	83,805
Provisions	18	<u>24,388</u>	<u>23,866</u>
Net assets		<u>9,049,842</u>	<u>8,637,369</u>
Capital and reserves			
Called up share capital	21	1	1
Profit and loss account	22	<u>9,049,841</u>	<u>8,637,368</u>
Shareholders funds		<u>9,049,842</u>	<u>8,637,369</u>

These financial statements were approved by the board of directors and authorised for issue on 26 January 2022, and are signed on behalf of the board by:



Mr Mark A McKenna
Director

Company registration number: 07447978

The notes on pages 12 to 21 form part of these financial statements.

Dynergy Ltd
Statement of Cash Flows
Year ended 31 May 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	436,473	979,864
<i>Adjustments for:</i>		
Depreciation of tangible assets	27,136	20,222
Other interest receivable and similar income	(10,218)	(13,395)
Loss on disposal of intangible assets	–	2,205
Tax on profit	100,751	228,313
Accrued expenses/(income)	4,762	(91,772)
<i>Changes in:</i>		
Stocks	(804,056)	298,747
Trade and other debtors	(1,586,778)	1,584,299
Trade and other creditors	283,561	(2,556,424)
Cash generated from operations	(1,548,369)	452,059
Interest received	10,218	13,395
Tax paid	(227,600)	(439,689)
Net cash (used in)/from operating activities	<u>(1,765,751)</u>	<u>25,765</u>
Cash flows from investing activities		
Purchase of tangible assets	(28,338)	(21,765)
Proceeds from sale of intangible assets	–	(2,205)
Net cash used in investing activities	<u>(28,338)</u>	<u>(23,970)</u>
Cash flows from financing activities		
Proceeds from borrowings	203	(780)
Proceeds from loans from group undertakings	1,639,251	–
Dividends paid	(24,000)	(24,000)
Net cash from/(used in) financing activities	<u>1,615,454</u>	<u>(24,780)</u>
Net decrease in cash and cash equivalents	(178,635)	(22,985)
Cash and cash equivalents at beginning of year	682,880	705,865
Cash and cash equivalents at end of year	<u>504,245</u>	<u>682,880</u>

The notes on pages 12 to 21 form part of these financial statements.

Dynergy Ltd
Notes to the Financial Statements
Year ended 31 May 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 3 Ursula Lapp Estate, Old Oak Lane, London, NW10 6UD, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Motor vehicles	- 33% straight line
Equipment	- 25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

3. Accounting policies *(continued)*

Investments in associates *(continued)*

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	13,016,662	16,824,217

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	27,136	20,222
Loss on disposal of intangible assets	—	2,205
Foreign exchange differences	(1,839)	(2,482)

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	6,500	6,500

7. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2022	2021
	No.	No.
Administrative staff	7	5
Management staff	3	2
	10	7

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	272,381	191,678

8. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	12,123	12,273

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

9. Other interest receivable and similar income

	2022 £	2021 £
Interest on cash and cash equivalents	<u>10,218</u>	<u>13,395</u>

10. Tax on profit

Major components of tax expense

	2022 £	2021 £
Current tax:		
UK current tax expense	100,229	228,020
Deferred tax:		
Origination and reversal of timing differences	<u>522</u>	<u>293</u>
Tax on profit	<u>100,751</u>	<u>228,313</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>537,224</u>	<u>1,208,177</u>
Profit on ordinary activities by rate of tax	102,073	229,554
Effect of capital allowances and depreciation	<u>(1,322)</u>	<u>(1,241)</u>
Tax on profit	<u>100,751</u>	<u>228,313</u>

11. Dividends

	2022 £	2021 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>24,000</u>	<u>24,000</u>

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

12. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 June 2021	–	207,050	–	207,050
Additions	19,250	6,258	2,830	28,338
At 31 May 2022	<u>19,250</u>	<u>213,308</u>	<u>2,830</u>	<u>235,388</u>
Depreciation				
At 1 June 2021	–	172,017	–	172,017
Charge for the year	4,813	21,615	708	27,136
At 31 May 2022	<u>4,813</u>	<u>193,632</u>	<u>708</u>	<u>199,153</u>
Carrying amount				
At 31 May 2022	<u>14,437</u>	<u>19,676</u>	<u>2,122</u>	<u>36,235</u>
At 31 May 2021	<u>–</u>	<u>35,033</u>	<u>–</u>	<u>35,033</u>

13. Investments

	Other investments other than loans £
Cost	
At 1 June 2021 and 31 May 2022	<u>250,000</u>
Impairment	
At 1 June 2021 and 31 May 2022	<u>–</u>
Carrying amount	
At 31 May 2022	<u>250,000</u>
At 31 May 2021	<u>250,000</u>

14. Stocks

	2022 £	2021 £
Raw materials and consumables	<u>2,420,042</u>	<u>1,615,986</u>

Dynenergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

15. Debtors

	2022	2021
	£	£
Trade debtors	643,792	393,677
Amounts owed by group undertakings	7,831,264	6,135,719
Prepayments and accrued income	117,778	71,323
Director's loan account	–	19,579
Other debtors	174,295	560,053
	<u>8,767,129</u>	<u>7,180,351</u>

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,002,305	731,890
Amounts owed to group undertakings	1,639,251	–
Accruals and deferred income	7,250	2,488
Corporation tax	97,273	224,644
Social security and other taxes	–	3,568
Director loan accounts	203	–
Other creditors	73,334	56,620
	<u>2,819,616</u>	<u>1,019,210</u>

17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>83,805</u>	<u>83,805</u>

18. Provisions

	Deferred tax (note 19) £
At 1 June 2021	23,866
Additions	5,384
Charge against provision	<u>(4,862)</u>
At 31 May 2022	<u>24,388</u>

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022	2021
	£	£
Included in provisions (note 18)	24,388	23,866

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	6,885	6,656
Fair value adjustment of investment property	17,210	17,210
	24,095	23,866

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	8,767,129	7,180,351
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	504,245	682,880
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	2,903,421	1,103,434

21. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

22. Reserves

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income. Profit and loss account - This reserve records retained earnings and accumulated losses.

Dynergy Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 May 2022

23. Analysis of changes in net debt

	At 1 Jun 2021	Cash flows	At 31 May 2022
	£	£	£
Cash at bank and in hand	682,880	(178,635)	504,245
Debt due within one year	–	(1,639,454)	(1,639,454)
Debt due after one year	(83,805)	–	(83,805)
	<u>599,075</u>	<u>(1,818,089)</u>	<u>(1,219,014)</u>

24. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

	Balance brought forward	2022 Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr Mark A McKenna	<u>19,579</u>	<u>(19,782)</u>	<u>(203)</u>

	Balance brought forward	2021 Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr Mark A McKenna	<u>196,285</u>	<u>(176,706)</u>	<u>19,579</u>

25. Related party transactions

During the period, the company supplied stock of £2,825,904 (2021:£6,360,103) to Dynergy Distribution EU Ltd, a company which Mr Mark McKenna has 100% controlling interest. As at 31 May 2022, Dynergy distribution EU Ltd owed £1,639,251 to Dynergy Ltd.

During the period, the company made a loan of £4,655,908 (2021:£Nil) to Fitz John Capital Ltd, a company in which Mr Mark McKenna has 100% controlling interest. As at 31 May 2022, Dynergy Ltd was owed £7,682,087 (2021:£3,026,179) by Fitzjohns Capital Ltd and £147,425 by Automotive Classics Limited.

Balances outstanding to other entities where Mr Mark McKenna has 100% controlling interest:

- 15E Fitzjohns Ave - Balance outstanding as at 31 May 2022 - £493
- Expedited Europe Ltd - Balance outstanding as at 31 May 2022 - £1,259

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £12,123 (2021: £12,273).