

COMPANY REGISTRATION NUMBER: 07447978

**Dynergy Ltd**  
**Financial Statements**  
**31 May 2020**

**K B M UK LIMITED**

Chartered Certified Accountants & statutory auditor

1 Concord Business Centre

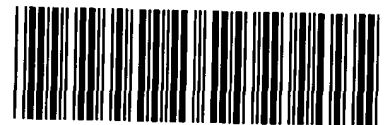
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**Dynergy Ltd**  
**Financial Statements**  
**Year ended 31 May 2020**

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# Dynergy Ltd

## Officers and Professional Advisers

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

# **Dynergy Ltd**

## **Strategic Report**

**Year ended 31 May 2020**

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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 12 May 2021 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 2020**

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The director presents his report and the financial statements of the company for the year ended 31 May 2020.

**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 12 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.
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**Dynergy Ltd**  
**Director's Report** *(continued)*  
**Year ended 31 May 2020**

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This report was approved by the board of directors on 12 May 2021 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 2020**

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**Opinion**

We have audited the financial statements of Dynergy Ltd (the 'company') for the year ended 31 May 2020 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 2020 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Dynergy Ltd

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

Year ended 31 May 2020

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### 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 2020

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### 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.

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.
  - 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.
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## Dynergy Ltd

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

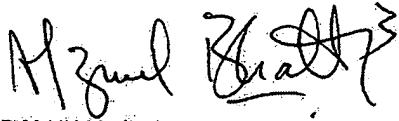
Year ended 31 May 2020

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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.



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

12 May 2021

**Dynergy Ltd**  
**Statement of Income and Retained Earnings**  
**Year ended 31 May 2020**

		2020	2019 (restated)
	Note	£	£
<b>Turnover</b>	<b>4</b>	26,783,948	12,774,439
Cost of sales		23,686,712	11,487,966
<b>Gross profit</b>		3,097,236	1,286,473
Administrative expenses		809,417	712,371
<b>Operating profit</b>	<b>5</b>	2,287,819	574,102
Other interest receivable and similar income	<b>9</b>	–	9,953
Interest payable and similar expenses	<b>10</b>	–	1,130
<b>Profit before taxation</b>		2,287,819	582,925
Tax on profit	<b>11</b>	418,614	120,229
<b>Profit for the financial year and total comprehensive income</b>		1,869,205	462,696
Dividends paid and payable	<b>12</b>	(24,000)	(24,000)
<b>Retained earnings at the start of the year (as previously reported)</b>		5,836,299	5,482,188
Prior period adjustments		–	(84,585)
<b>Retained earnings at the start of the year (restated)</b>		5,836,299	5,397,603
<b>Retained earnings at the end of the year</b>		7,681,504	5,836,299


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 2020**

		2020	2019 (restated)
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	13	33,490	58,943
Investments	14	250,000	250,000
		<u>283,490</u>	<u>308,943</u>
<b>Current assets</b>			
Stocks	15	1,914,733	694,695
Debtors	16	8,764,650	5,587,832
Cash at bank and in hand		705,865	379,463
		<u>11,385,248</u>	<u>6,661,990</u>
<b>Creditors: amounts falling due within one year</b>	17	3,879,075	1,005,568
<b>Net current assets</b>		<u>7,506,173</u>	<u>5,656,422</u>
<b>Total assets less current liabilities</b>		<u>7,789,663</u>	<u>5,965,365</u>
<b>Creditors: amounts falling due after more than one year</b>	18	84,585	84,585
<b>Provisions</b>	19	23,573	44,480
<b>Net assets</b>		<u>7,681,505</u>	<u>5,836,300</u>
<b>Capital and reserves</b>			
Called up share capital	22	1	1
Profit and loss account	23	7,681,504	5,836,299
<b>Shareholders' funds</b>		<u>7,681,505</u>	<u>5,836,300</u>

These financial statements were approved by the board of directors and authorised for issue on 12 May 2021, 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 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>(restated)</b>
		<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,869,205	462,696
<i>Adjustments for:</i>		
Depreciation of tangible assets	35,638	36,891
Other interest receivable and similar income	–	(9,953)
Interest payable and similar expenses	–	1,130
Tax on profit	418,614	120,229
Accrued (income)/expenses	(87,278)	44,943
<i>Changes in:</i>		
Stocks	(1,220,038)	(118,272)
Trade and other debtors	(3,176,818)	509,072
Trade and other creditors	2,658,015	(297,335)
Cash generated from operations	497,338	749,401
Interest paid	–	(1,130)
Interest received	–	9,953
Tax paid	(115,946)	(3,208)
Net cash from operating activities	<u>381,392</u>	<u>755,016</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(10,187)	(46,178)
Proceeds from sale of other investments	–	80,175
Net cash (used in)/from investing activities	<u>(10,187)</u>	<u>33,997</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	–	–
Proceeds from loans from group undertakings	(20,805)	(641,153)
Dividends paid	(24,000)	(24,000)
Net cash used in financing activities	<u>(44,805)</u>	<u>(580,568)</u>
<b>Net increase in cash and cash equivalents</b>	326,402	123,860
<b>Cash and cash equivalents at beginning of year</b>	<u>379,463</u>	<u>255,603</u>
<b>Cash and cash equivalents at end of year</b>	<u>705,865</u>	<u>379,463</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 2020**

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**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 2020

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### 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:

Fixtures and fittings	- 25% straight line
Motor vehicles	- 33% 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 2020

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### 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 2020

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### 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 2020

### 4. Turnover

Turnover arises from:

	2020	2019 <i>(restated)</i>
	£	£
Sale of goods	26,783,948	12,774,439

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:

	2020	2019 <i>(restated)</i>
	£	£
Depreciation of tangible assets	35,638	36,891
Impairment of trade debtors	12,557	–
Foreign exchange differences	3,725	74

### 6. Auditor's remuneration

	2020	2019 <i>(restated)</i>
	£	£
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:

	2020 No.	2019 No.
Administrative staff	2	1
Management staff	2	1
	4	2

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

	2020	2019 <i>(restated)</i>
	£	£
Wages and salaries	80,109	95,172

# Dynergy Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 May 2020

### 8. Director's remuneration

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

	2020	2019 <i>(restated)</i>
	£	£
Remuneration	<u>12,193</u>	<u>12,187</u>

### 9. Other interest receivable and similar income

	2020	2019 <i>(restated)</i>
	£	£
Interest on cash and cash equivalents	<u>—</u>	<u>9,953</u>

### 10. Interest payable and similar expenses

	2020	2019 <i>(restated)</i>
	£	£
Interest on banks loans and overdrafts	<u>—</u>	<u>1,130</u>

### 11. Tax on profit

#### Major components of tax expense

	2020	2019 <i>(restated)</i>
	£	£
<b>Current tax:</b>		
UK current tax expense	439,521	115,946
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(20,907)	4,283
<b>Tax on profit</b>	<u>418,614</u>	<u>120,229</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>2,287,819</u>	<u>582,925</u>
Profit on ordinary activities by rate of tax	434,686	110,756
Adjustment to tax charge in respect of prior periods	(14,135)	4,283
Effect of capital allowances and depreciation	(1,937)	5,190
<b>Tax on profit</b>	<u>418,614</u>	<u>120,229</u>

# Dynergy Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 May 2020

### 12. Dividends

	2020	2019 <i>(restated)</i>
	£	£
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>

### 13. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 June 2019 (as restated)	175,098	70,725	245,823
Additions	<u>10,187</u>	<u>—</u>	<u>10,187</u>
<b>At 31 May 2020</b>	<u>185,285</u>	<u>70,725</u>	<u>256,010</u>
<b>Depreciation</b>			
At 1 June 2019	136,784	50,098	186,882
Charge for the year	<u>15,011</u>	<u>20,627</u>	<u>35,638</u>
<b>At 31 May 2020</b>	<u>151,795</u>	<u>70,725</u>	<u>222,520</u>
<b>Carrying amount</b>			
<b>At 31 May 2020</b>	<u>33,490</u>	<u>—</u>	<u>33,490</u>
At 31 May 2019	<u>38,314</u>	<u>20,627</u>	<u>58,941</u>

### 14. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 June 2019 as restated and 31 May 2020	<u>250,000</u>
<b>Impairment</b>	
At 1 June 2019 as restated and 31 May 2020	<u>—</u>
<b>Carrying amount</b>	
<b>At 31 May 2020</b>	<u>250,000</u>
At 31 May 2019	<u>250,000</u>

### 15. Stocks

	2020	2019 <i>(restated)</i>
	£	£
Raw materials and consumables	<u>1,914,733</u>	<u>694,695</u>

# Dynergy Ltd

## Notes to the Financial Statements *(continued)*

**Year ended 31 May 2020**

### 16. Debtors

	2020	2019 <i>(restated)</i>
	£	£
Trade debtors	3,366,847	698,933
Amounts owed by group undertakings	4,508,793	4,411,923
Prepayments and accrued income	29,705	54,752
Director's loan account	196,285	110,651
Other debtors	663,020	311,573
	<u>8,764,650</u>	<u>5,587,832</u>

### 17. Creditors: amounts falling due within one year

	2020	2019 <i>(restated)</i>
	£	£
Trade creditors	3,309,461	689,692
Amounts owed to group undertakings	–	20,805
Accruals and deferred income	94,260	181,538
Corporation tax	436,313	112,738
Social security and other taxes	4,715	795
Other creditors	34,326	–
	<u>3,879,075</u>	<u>1,005,568</u>

### 18. Creditors: amounts falling due after more than one year

	2020	2019 <i>(restated)</i>
	£	£
Bank loans and overdrafts	<u>84,585</u>	<u>84,585</u>

### 19. Provisions

	Deferred tax (note 20) £
At 1 June 2019 (as restated)	44,481
Additions	1,936
Charge against provision	(22,844)
<b>At 31 May 2020</b>	<u><b>23,573</b></u>

# Dynergy Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 May 2020

### 20. Deferred tax

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

	2020	2019 <i>(restated)</i>
	£	£
Included in provisions (note 19)	<u>23,573</u>	<u>44,480</u>

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

	2020	2019 <i>(restated)</i>
	£	£
Accelerated capital allowances	6,363	11,199
Fair value adjustment of investment property	<u>17,210</u>	<u>33,281</u>
	<u>23,573</u>	<u>44,480</u>

### 21. Financial instruments

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

	2020	2019 <i>(restated)</i>
	£	£
<b>Financial assets measured at fair value through profit or loss</b>		
Financial assets measured at fair value through profit or loss	<u>705,865</u>	<u>379,463</u>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>8,101,959</u>	<u>5,533,080</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>3,959,274</u>	<u>892,035</u>

### 22. Called up share capital

Issued, called up and fully paid

	2020		2019 <i>(restated)</i>	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 23. 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 2020

### 24. Analysis of changes in net debt

	At 1 Jun 2019	Cash flows	At 31 May 2020
	£	£	£
Cash at bank and in hand	379,463	326,402	705,865
Debt due within one year	(20,805)	20,805	–
Debt due after one year	(84,585)	–	(84,585)
	<u>274,073</u>	<u>347,207</u>	<u>621,280</u>

### 25. Director's advances, credits and guarantees

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

	2020		
	Balance brought forward	Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr Mark A McKenna	<u>110,651</u>	<u>85,634</u>	<u>196,285</u>

	2019		
	Balance brought forward	Advances/ (credits) to the director	Balance outstanding
	£	£	£
Mr Mark A McKenna	<u>690,988</u>	<u>(580,337)</u>	<u>110,651</u>

### 26. Related party transactions

During the period, the company supplied stock of £6,577,496 (2019:£4,568,805) to Dynergy Distribution EU Ltd, a company which Mr Mark McKenna has 100% controlling interest. As at 31 May 2019, Dynergy distribution EU Ltd owe £81,599 to Dynergy Ltd.

During the period, the company made a loan of £Nil (2019:£15,000) to Fitz John Capital Ltd, a company in which Mr Mark McKenna has 100% controlling interest. As at 31 May 2020, Dynergy Ltd was owed £4,426,179 (2019:£4,426,179) by Fitzjohns Capital Ltd.

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

- 15E Fitzjohns Ave - Balance outstanding as at 31 May 2020 - £208
- Expedited Europe Ltd - Balance outstanding as at 31 May 2020 -£808

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 £12,193 (2019: £12,187).