

Company registration number 02860600 (England and Wales)

DNT COMPANY LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

DNT COMPANY LTD

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr D Babic Mrs R E Babic Mrs F J Feek Mr A S Feek |
| Secretary | Mr D Babic |
| Company number | 02860600 |
| Registered office | 5 Chestnut Court Jill Lane Sambourne Redditch Worcestershire United Kingdom B96 6EW |
| Auditor | Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY |

DNT COMPANY LTD

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DNT COMPANY LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present the strategic report for the year ended 30 November 2021.

Fair review of the business

The principal activity of the company in the year under review was that of a stainless-steel wholesaler.

The board have continued with their strategy of growth in revenue and profit before tax. Revenue during the year was £28,899,863 (2020: £13,761,947) with PBT at £406,635 (2020: £406,153).

Net assets have risen from £1,179,591 in 2020 to £1,483,680.

During a period of increasing raw material costs and extended Mill lead times, cash was committed to increase stock throughout the year to ensure continuity of supply for customers and the lowest possible input costs.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties of the business are steel price volatility and foreign exchange rate risk coupled with uncertainty in the financial markets caused by political instability. All of these risks are monitored regularly by the Board of Directors to ensure that these risks are minimised.

The directors maintain a strong relationship with clients and are confident that high service levels will ensure the consistency of contract revenue going forward.

Key performance indicators

The directors consider turnover and gross margin levels, along with creditors and debtor days.

The directors also consider health and safety compliance at all levels. They do not believe that there are any other non-financial key performance indicators that are relevant.

The directors believe that the company continues to be well positioned in the marketplace and has sufficient cash reserves to meet its future commitments.

Future Developments

A consequence of the Russia – Ukraine conflict and the sanctions being imposed has created a degree of global uncertainty, this along with increasing energy prices and the slowdown in the China economy, steel prices have been fluctuating significantly. The company will continue to monitor closely global prices, supply issues and customer demand to manage the resultant risk exposure to the company.

On behalf of the board

Mr D Babic
Director

22 November 2022

DNT COMPANY LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their annual report and financial statements for the year ended 30 November 2021.

Principal activities

The principal activity of the company continued to be that of buying and selling steel.

Results and dividends

The company made a pre tax profit for the year of £406,635 and paid dividends of £40,000.

Ordinary dividends were paid amounting to £40,000. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D Babic
Mrs R E Babic
Mrs F J Feek
Mr A S Feek

Auditor

The auditor, Ormerod Rutter Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

DNT COMPANY LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

On behalf of the board

Mr D Babic
Director

22 November 2022

DNT COMPANY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DNT COMPANY LTD

Qualified opinion on financial statements

We have audited the financial statements of DNT Company Ltd (the 'company') for the year ended 30 November 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 30 November 2021 and of its 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 qualified opinion

We did not observe the counting of physical inventories at the beginning of the period. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 30 November 2021. Since opening inventories enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the period reported in the profit and loss account.

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 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 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.

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 directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

DNT COMPANY LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DNT COMPANY LTD

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 and 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, 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 remuneration specified by law are not made; or

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, and the extent to which non-compliance might have a material effect on the financial statements.

Audit procedures performed included discussions with management, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DNT COMPANY LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DNT COMPANY LTD

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.

Colm McGrory FCA (Senior Statutory Auditor)
For and on behalf of Ormerod Rutter Limited

22 November 2022

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

DNT COMPANY LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2021

| | Notes | 2021 £ | 2020 £ |
|--|-----------|--------------|--------------|
| Turnover | 3 | 29,274,709 | 13,761,947 |
| Cost of sales | | (27,296,695) | (12,706,984) |
| Gross profit | | 1,978,014 | 1,054,963 |
| Administrative expenses | | (1,400,248) | (704,554) |
| Other operating income | | - | 81,166 |
| Operating profit | 4 | 577,766 | 431,575 |
| Interest receivable and similar income | 7 | 1,234 | 1,519 |
| Interest payable and similar expenses | 8 | (173,265) | (25,200) |
| Gains/(losses) unrealised on investments | 9 | 900 | (1,741) |
| Profit before taxation | | 406,635 | 406,153 |
| Tax on profit | 10 | (62,546) | (99,159) |
| Profit for the financial year | | 344,089 | 306,994 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DNT COMPANY LTD

BALANCE SHEET

AS AT 30 NOVEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|--------------|-----------|-------------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 239,627 | | 224,144 |
| Current assets | | | | | |
| Stocks | 13 | 7,902,136 | | 1,849,378 | |
| Debtors | 14 | 8,507,700 | | 5,653,519 | |
| Investments | 15 | 3,759 | | 2,859 | |
| Cash at bank and in hand | | 44,895 | | 43,987 | |
| | | 16,458,490 | | 7,549,743 | |
| Creditors: amounts falling due within one year | 16 | (14,774,273) | | (6,038,028) | |
| Net current assets | | | 1,684,217 | | 1,511,715 |
| Total assets less current liabilities | | | 1,923,844 | | 1,735,859 |
| Creditors: amounts falling due after more than one year | 17 | | (435,629) | | (556,268) |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 19 | 4,535 | | - | |
| | | | (4,535) | | - |
| Net assets | | | 1,483,680 | | 1,179,591 |
| Capital and reserves | | | | | |
| Called up share capital | 21 | | 1,100 | | 1,100 |
| Profit and loss reserves | 22 | | 1,482,580 | | 1,178,491 |
| Total equity | | | 1,483,680 | | 1,179,591 |

The financial statements were approved by the board of directors and authorised for issue on 22 November 2022 and are signed on its behalf by:

Mr D Babic
Director

Company Registration No. 02860600

DNT COMPANY LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2021

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|-----------|
| | Notes | £ | £ | £ |
| Balance at 1 December 2019 | | 1,100 | 911,497 | 912,597 |
| Year ended 30 November 2020: | | | | |
| Profit and total comprehensive income for the year | | - | 306,994 | 306,994 |
| Dividends | 11 | - | (40,000) | (40,000) |
| Balance at 30 November 2020 | | 1,100 | 1,178,491 | 1,179,591 |
| Year ended 30 November 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 344,089 | 344,089 |
| Dividends | 11 | - | (40,000) | (40,000) |
| Balance at 30 November 2021 | | 1,100 | 1,482,580 | 1,483,680 |

DNT COMPANY LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|---|-----------|---|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 25 | | | | |
| | | 405,475 | | (896,916) | |
| Interest paid | | (173,265) | | (25,200) | |
| Income taxes paid | | (99,159) | | (14,998) | |
| | | | | | |
| Net cash inflow/(outflow) from operating activities | | 133,051 | | (937,114) | |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (31,783) | | - | |
| Receipts arising from loans made | | (7,713) | | 150,000 | |
| Interest received | | 1,189 | | 1,519 | |
| Dividends received | | 45 | | - | |
| | | | | | |
| Net cash (used in)/generated from investing activities | | (38,262) | | 151,519 | |
| Financing activities | | | | | |
| Repayment of bank loans | | (34,375) | | 600,000 | |
| Dividends paid | | (40,000) | | (40,000) | |
| | | | | | |
| Net cash (used in)/generated from financing activities | | (74,375) | | 560,000 | |
| | | | | | |
| Net increase/(decrease) in cash and cash equivalents | | 20,414 | | (225,595) | |
| | | | | | |
| Cash and cash equivalents at beginning of year | | (145,119) | | 80,476 | |
| | | | | | |
| Cash and cash equivalents at end of year | | (124,705) | | (145,119) | |
| | | | | | |
| Relating to: | | | | | |
| Cash at bank and in hand | | 44,895 | | 43,987 | |
| Bank overdrafts included in creditors payable within one year | | (169,600) | | (189,106) | |

DNT COMPANY LTD

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Company information

DNT Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 5 Chestnut Court, Jill Lane, Sambourne, Redditch, Worcestershire, United Kingdom, B96 6EW.

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The comparative year balances were unaudited.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

2.4 Tangible fixed assets

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

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

| | |
|-----------------------------|----------------------|
| Freehold land and buildings | 2% Straight line |
| Fixtures and fittings | 25% Reducing balance |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

2 Accounting policies

(Continued)

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

2.5 Impairment of fixed assets

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

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

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

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

2.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

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

2.7 Cash and cash equivalents

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

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

2 Accounting policies

(Continued)

2.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

2 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2.9 Equity instruments

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

2.10 Taxation

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

Current tax

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

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

2 Accounting policies

(Continued)

Deferred tax

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

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

2.11 Employee benefits

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

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

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

2.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.13 Leases

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

2.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2.15 Foreign exchange

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

2.16 Investments

Investments are initially recognised at cost and subsequently measured at fair value. Fair value is deemed to be the value of investments on the open market at the reporting end date. Changes in fair value are recognised in profit and loss.

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

3 Turnover and other revenue

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Turnover analysed by class of business | | |
| Sales | 29,274,709 | 13,761,947 |
| | 2021 £ | 2020 £ |
| Other revenue | | |
| Interest income | 1,189 | 1,519 |
| Dividends received | 45 | - |
| Grants received | - | 81,166 |

4 Operating profit

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange losses/(gains) | 31,400 | (12,603) |
| Government grants and other coronavirus funding | - | (81,166) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 5,000 | - |
| Depreciation of owned tangible fixed assets | 16,300 | 9,417 |
| Operating lease charges | 763 | 6,958 |

5 Directors' remuneration

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Remuneration for qualifying services | 150,000 | 138,000 |
| Company pension contributions to defined contribution schemes | 101,803 | 17,795 |
| | 251,803 | 155,795 |

The remuneration for the highest paid director was £63,723. (2020: £39,293).

6 Employees

| 2021 Number | 2020 Number |
|----------------|----------------|
| 10 | 9 |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

| | | | |
|-----------|---|-----------------------|-----------------------|
| 6 | Employees | (Continued) | |
| | Their aggregate remuneration comprised: | | |
| | | 2021 | 2020 |
| | | £ | £ |
| | Wages and salaries | 444,083 | 348,373 |
| | Social security costs | 50,059 | 33,583 |
| | Pension costs | 102,874 | 22,299 |
| | | <u>597,016</u> | <u>404,255</u> |
| | | <u><u>597,016</u></u> | <u><u>404,255</u></u> |
| 7 | Interest receivable and similar income | | |
| | | 2021 | 2020 |
| | | £ | £ |
| | Interest income | | |
| | Other interest income | 1,189 | 1,519 |
| | Other income from investments | | |
| | Dividends received | 45 | - |
| | | <u>1,234</u> | <u>1,519</u> |
| | Total income | <u><u>1,234</u></u> | <u><u>1,519</u></u> |
| 8 | Interest payable and similar expenses | | |
| | | 2021 | 2020 |
| | | £ | £ |
| | Interest on bank overdrafts and loans | 4,268 | 25,118 |
| | Interest on invoice finance arrangements | 162,196 | - |
| | Other interest on financial liabilities | 6,801 | - |
| | Other interest | - | 82 |
| | | <u>173,265</u> | <u>25,200</u> |
| | | <u><u>173,265</u></u> | <u><u>25,200</u></u> |
| 9 | Amounts written off investments | | |
| | | 2021 | 2020 |
| | | £ | £ |
| | Fair value gains/(losses) on financial instruments | | |
| | Gain/(loss) on financial assets held at fair value through profit or loss | 900 | (1,741) |
| | | <u>900</u> | <u>(1,741)</u> |
| 10 | Taxation | | |
| | | 2021 | 2020 |
| | | £ | £ |
| | Current tax | | |
| | UK corporation tax on profits for the current period | 76,321 | 99,159 |
| | Adjustments in respect of prior periods | (18,310) | - |
| | | <u>58,011</u> | <u>99,159</u> |
| | Total current tax | <u><u>58,011</u></u> | <u><u>99,159</u></u> |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

10 Taxation (Continued)

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Deferred tax | | |
| Origination and reversal of timing differences | 4,535 | - |
| | <u> </u> | <u> </u> |
| Total tax charge | 62,546 | 99,159 |
| | <u> </u> | <u> </u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Profit before taxation | 406,635 | 406,153 |
| | <u> </u> | <u> </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 77,261 | 77,169 |
| Tax effect of expenses that are not deductible in determining taxable profit | 3,227 | 2,047 |
| Tax effect of income not taxable in determining taxable profit | (8) | - |
| Change in unrecognised deferred tax assets | 4,535 | - |
| Permanent capital allowances in excess of depreciation | (7,085) | (487) |
| Depreciation on assets not qualifying for tax allowances | 3,097 | 1,789 |
| Effect of revaluations of investments | (171) | 331 |
| S.455 tax | (18,310) | 18,310 |
| | <u> </u> | <u> </u> |
| Taxation charge for the year | 62,546 | 99,159 |
| | <u> </u> | <u> </u> |

11 Dividends

| | 2021 £ | 2020 £ |
|--------------|-------------------|-------------------|
| Interim paid | 40,000 | 40,000 |
| | <u> </u> | <u> </u> |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

12 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Total £ |
|------------------------------------|-------------------------------------|-------------------------------|----------------|
| Cost | | | |
| At 1 December 2020 | 257,585 | 96,010 | 353,595 |
| Additions | - | 31,783 | 31,783 |
| | <u>257,585</u> | <u>127,793</u> | <u>385,378</u> |
| At 30 November 2021 | 257,585 | 127,793 | 385,378 |
| Depreciation and impairment | | | |
| At 1 December 2020 | 46,249 | 83,202 | 129,451 |
| Depreciation charged in the year | 5,152 | 11,148 | 16,300 |
| | <u>51,401</u> | <u>94,350</u> | <u>145,751</u> |
| At 30 November 2021 | 51,401 | 94,350 | 145,751 |
| Carrying amount | | | |
| At 30 November 2021 | 206,184 | 33,443 | 239,627 |
| | <u>211,336</u> | <u>12,808</u> | <u>224,144</u> |
| At 30 November 2020 | 211,336 | 12,808 | 224,144 |

13 Stocks

| | 2021 £ | 2020 £ |
|-------------------------------------|------------------|------------------|
| Finished goods and goods for resale | 7,902,136 | 1,849,378 |
| | <u>7,902,136</u> | <u>1,849,378</u> |

14 Debtors

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 7,348,123 | 5,435,092 |
| Corporation tax recoverable | 18,310 | - |
| Other debtors | 758,826 | 87,129 |
| Prepayments and accrued income | 382,441 | 131,298 |
| | <u>8,507,700</u> | <u>5,653,519</u> |

15 Current asset investments

| | 2021 £ | 2020 £ |
|--------------------|--------------|--------------|
| Listed investments | 3,759 | 2,859 |
| | <u>3,759</u> | <u>2,859</u> |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

16 Creditors: amounts falling due within one year

| | Notes | 2021 £ | 2020 £ |
|------------------------------------|-------|-------------------|------------------|
| Bank loans and overdrafts | 18 | 299,596 | 232,838 |
| Payments received on account | | 4,951,569 | 1,645,890 |
| Trade creditors | | 9,277,457 | 3,561,970 |
| Corporation tax | | 76,321 | 99,159 |
| Other taxation and social security | | 11,269 | 461,286 |
| Other creditors | | 1,966 | 6,693 |
| Accruals and deferred income | | 156,095 | 30,192 |
| | | <u>14,774,273</u> | <u>6,038,028</u> |

17 Creditors: amounts falling due after more than one year

| | Notes | 2021 £ | 2020 £ |
|---------------------------|-------|----------------|----------------|
| Bank loans and overdrafts | 18 | <u>435,629</u> | <u>556,268</u> |

Amounts included above which fall due after five years are as follows:

| | | |
|------------------------|---|---------------|
| Payable by instalments | - | <u>35,000</u> |
|------------------------|---|---------------|

18 Loans and overdrafts

| | 2021 £ | 2020 £ |
|-------------------------|----------------|----------------|
| Bank loans | 565,625 | 600,000 |
| Bank overdrafts | 169,600 | 189,106 |
| | <u>735,225</u> | <u>789,106</u> |
| Payable within one year | 299,596 | 232,838 |
| Payable after one year | <u>435,629</u> | <u>556,268</u> |

Bank loans and overdraft are secured by a fixed and floating charge over the company's assets.

Creditors due after one year consist of two bank loans in relation to the CBILS offering by the Government. Interest on both of these loans is borne by the Government for the first 12 months.

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2021 £ | Liabilities 2020 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 4,535 | - |
| | <u>4,535</u> | <u>-</u> |
| Movements in the year: | | 2021 £ |
| Liability at 1 December 2020 | | - |
| Charge to profit or loss | | 4,535 |
| | | <u>4,535</u> |
| Liability at 30 November 2021 | | <u>4,535</u> |

20 Retirement benefit schemes

| | 2021 £ | 2020 £ |
|---|----------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 102,874 | 22,299 |
| | <u>102,874</u> | <u>22,299</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|---|----------------|----------------|--------------|--------------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1,000 | 1,000 |
| Ordinary B shares of £1 each | 100 | 100 | 100 | 100 |
| | <u>1,100</u> | <u>1,100</u> | <u>1,100</u> | <u>1,100</u> |

The ordinary shares have full voting rights. The ordinary B class shares have no entitlement to a vote and capital is limited to £10 on sale or liquidation.

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

22 Profit and loss reserves

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| At the beginning of the year | 1,178,491 | 911,497 |
| Profit for the year | 344,089 | 306,994 |
| Dividends declared and paid in the year | (40,000) | (40,000) |
| At the end of the year | 1,482,580 | 1,178,491 |

24 Directors' transactions

Dividends totalling £40,000 (2020 - £40,000) were paid in the year in respect of shares held by the company's directors.

At the year end, the directors' owed the company £42,593 (2020: £34,880). Interest payable on these loans is 2.5%.

25 Cash generated from/(absorbed by) operations

| | 2021 £ | 2020 £ |
|--|----------------|------------------|
| Profit for the year after tax | 344,089 | 306,994 |
| Adjustments for: | | |
| Taxation charged | 62,546 | 99,159 |
| Finance costs | 173,265 | 25,200 |
| Investment income | (1,234) | (1,519) |
| Depreciation and impairment of tangible fixed assets | 16,300 | 9,417 |
| Other gains and losses | (900) | 1,741 |
| Movements in working capital: | | |
| (Increase)/decrease in stocks | (6,052,758) | 478,404 |
| Increase in debtors | (2,828,158) | (2,581,608) |
| Increase in creditors | 8,692,325 | 765,296 |
| Cash generated from/(absorbed by) operations | 405,475 | (896,916) |

DNT COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

26 Analysis of changes in net debt

| | 1 December 2020 £ | Cash flows £ | 30 November 2021 £ |
|---------------------------------|-------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 43,987 | 908 | 44,895 |
| Bank overdrafts | (189,106) | 19,506 | (169,600) |
| | <u>(145,119)</u> | <u>20,414</u> | <u>(124,705)</u> |
| Borrowings excluding overdrafts | (600,000) | 34,375 | (565,625) |
| | <u>(745,119)</u> | <u>54,789</u> | <u>(690,330)</u> |

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