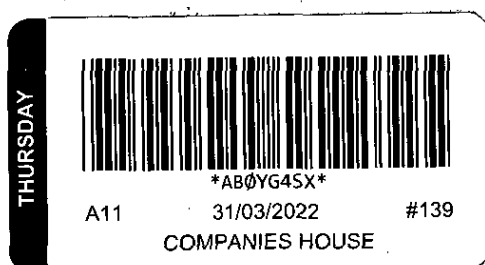


Company number 04343332
(England & Wales)

UNAUDITED REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
FOR
DYNMARK INTERNATIONAL LIMITED



DYNMARK INTERNATIONAL LTD
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FOR THE YEAR ENDED 30 JUNE 2021

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DYNMARK INTERNATIONAL LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTORS:

M Patel
G Kasparian
P Amin

REGISTERED OFFICE:

No.1 London Bridge
London
SE1 9BG

REGISTERED NUMBER:

04343332 (England and Wales)

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their strategic report with the financial statements of the company and the group for the year ended 30 June 2021.

REVIEW OF BUSINESS

The Company and Group provides a messaging platform which enables third parties to send messages to and from mobile apps and web enabled devices. As a consequence of the boards' decision to wind down the business and only put a small team in place to support current clients and partners, revenue in the period decreased by 55% to £3.5m. At the year end the Company and Group had cash of £0.1m.

FUTURE OUTLOOK

The integration of the Comapi CPaaS technology was successfully integrated into the Engagement Cloud platform of the core Dotdigital platform following the acquisition in November 2017 by Dotdigital Group Plc. On the 22 May 2019, the Board announced that following a thorough review of the business, they had decided to wind down this division. As a result, the business has been in wind down since the announcement and finally ceased to trade as at 30 June 2021. The next financial year will represent a non-trading year where the intention will be to make the company dormant.

KEY PERFORMANCE INDICATORS

The individual business units are managed and controlled using a variety of key performance indicators appropriate to the goals they have been set. Examples of key performance indicators include:

	2021	2020	Increase/ (decrease)
	£	£	%
Revenue	3,534,386	7,866,910	(55)
EBITDA	187,058*	(35,194)*	632
Cash	90,051	385,241	(77)
Volume sends	<u>614m</u>	<u>519m</u>	<u>18</u>

* EBITDA has been adjusted to exclude exceptional items

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

RISKS, IMPACT AND MITIGATIONS

Our risk management framework enables a consistent approach to the identification, management and oversight of risks. This consistency is valuable as it allows us to take a holistic approach to risk management and to make meaningful comparisons of the risks we face and how we manage them across the globe, which is essential to achieve our strategic objectives.

Using our risk management framework, the Dotdigital Group identifies the risks that could affect the strategy and operations in order to implement risk mitigation plans. Departments within the organisation identify the risks that could affect their strategic and operational plans. The consolidated risks are consolidated under a single group wide risk register. These risks are scored based on impact and likelihood and reviewed on a regular basis. Principal risks scored over a threshold are highlighted and reviewed by the Company's Risk Committee. Members of the Risk Committee are assigned to principal risks and these become executive owners responsible for confirming adequate controls are in place and the necessary action plans are implemented. The Chairman of the Risk Committee reports on the principal risks to the CFO who in turn reports these to the Group's Board.

Key improvements

- Risk Committee and ISO framework management reviews have been merged for operational efficiency enabling oversight of the management system's risk mitigation performance.
- Increased accreditations, which now consist of ISO 27001 (Information Security Management), ISO 27701 (Privacy Information Management) and ISO 14001 (Environmental Management).
- Further expansion of our Integrated Management System (IMS) to include Privacy Information Management.
- Greater cadence of risk register review by key members of the risk committee for risk rating recommendations.

Strategic	Financial	Technological	Operational
The influence of stakeholders and industry on our business	Our financial status, standing and continued growth	The platform, technology and systems that support our business and the data they hold	The ability to achieve our optimal business model

DYNMARK INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Risk area	Impact	Mitigation of risk
Global economic disruption <i>Financial</i> Movement: Decreased	Disruption caused by global external events, such as pandemics and economic downturns have the potential to impact our financial performance.	<ul style="list-style-type: none"> Continued building of recurring contracted revenue stream Sufficient liquidity resources so that we can cope for prolonged periods of time without accessing the capital markets Increasing flexibility for customers around payment terms Quickly executable scenario plans reviewed to prepare for varying levels of financial impact to reserves Continued investment into Business Continuity planning to enable staff availability, building accessibility and for hardware failure.
Geography-specific market and political environments <i>Financial</i> Movement: Stable	Reliance on revenues and resources relating to a single region increases the risk to our financial performance if that region were to experience an economic decline or political unrest.	<ul style="list-style-type: none"> Continual increase in international revenues outside of the UK Successful exploration into options relating to geographic expansion above and beyond the UK, US and Australia - specifically Singapore and Netherlands Constant review by the executive team for growth opportunities in additional territories including LATAM Monitoring of the market conditions and political environment in regions we have offices, staff, target prospects and customers Continue to distribute critical staff and engineering teams across regions for resilience.
Optimising and growing high-performance teams <i>Operational</i> Movement: Stable	Failure to attract, hire, develop, support and retain high-performing individuals will reduce the ability to achieve our goals.	<ul style="list-style-type: none"> Delivery of a comprehensive programme of formal and informal learning and development opportunities aligned to the needs and goals of the business Companywide roll out of a new learning content platform Deployment of a new integrated people management platform for performance reviews, management self-service and employee engagement Investment into flexible working arrangements, home office environments and wellbeing programmes to support our staff through global events, such as pandemics

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Data privacy

Operational

Movement: Increased

Certain laws and regulations (such as the UK & EU General Data Protection Regulations ("GDPR")) require or may require us and our customers to implement privacy and security policies, permit consumers to access, correct or delete personal information stored or maintained by such companies, inform individuals of security incidents that affect their personal information, and, in some cases, obtain consent to use personal information for certain purposes.

Other proposed legislation could impose additional requirements and prohibit or limit the use of certain technologies, such as those that track individuals' activities on web pages or record when individuals click on an in-email link. Such laws and regulation changes could restrict customers' ability to collect and use email addresses, web browsing data and personal information, which may reduce demand for its products.

- Continued commitment to organisational structures, internal communication tools and processes to enable cross-team collaboration
- Regular evaluation of staff benefits to ensure market competitiveness
- Expansion of staff engagement programs. Our Dotvoice programme now consists of four core pillars. Dotgreen, Dotcommuntty, DotDEI and Dotwellbeing. Creating a listening culture, one of openness where staff can discuss all types of issues whether, social, political and environmental
- Expansion into new territories increases accessible talent pools we can hire in.
- Operation of an open-door policy, including the sharing of policies relating to security, compliance and data privacy
- Maintenance of a public-facing Trust Centre communicating important information
- Research into the impact of new or altered legislation to inform free resources. We actively contribute to the digital marketing and messaging space to advocate best practice and make sure its customers' needs are represented
- Provisioning of global instances of the platforms, allowing customers in certain regions to overcome data sovereignty constraints
- Ongoing monitoring of processes and policies in compliance with local laws and regulations (including GDPR, the California Consumer Privacy Act ("CCPA") and Singapore's Personal Data Protection Act ("PDPA"))
- Ongoing monitoring of the regulatory environment, including any guidance from supervisory authorities or compliance actions made under local laws (such as the adoption of new EU Standard Contractual Clauses, the UK's proposed International Data Transfer Agreement, the EU's data adequacy decision for the UK and the impact of the Schrems II case on international data transfers)
- Implementation of an ISO 27701 certified Privacy Information Management System (PIMS)
- Continued privacy and data protection staff awareness and training.

DYNMARK INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Environmental	As awareness on the climate challenge increases, it is expected there will be increasing legislation and customer pressure to provide sustainable business operations.	<ul style="list-style-type: none"> • The group has set targets to become net zero by 2035 • An ISO 14001 certified Environmental Management System (EMS) has been implemented, and is managed by a committee (Dotgreen) made up of representatives from around the business • A newly created role of Sustainability Lead has been created to ensure adequate resource is available to drive the EMS forward with continual improvement • Using the Oxford Offsetting Principles, we continue to develop our carbon offsetting and mitigation strategy. We operate carbon neutral and we have included further scopes in our carbon offsetting which now includes GHG emission scopes 1, 2 and 3 (Business Travel, Data Centres, Remote workers, Worker commuting and transmission and distribution losses related to office electricity) • Marketing and promotion of our sustainability achievements, including the creation of a new dedicated sustainability area on the corporate website. Various initiatives and events held to continue to foster a green culture both internally and externally with customers and partners.
<i>Operational</i>		
Movement: Stable		
Evolving technology and customer requirements	Failure to anticipate, respond to evolving messaging channels and customer requirements, to introduce competitive enhancements or maintain existing products may impact growth and customer retention.	<ul style="list-style-type: none"> • Remaining a credible provider of customer engagement SaaS solutions through constant investment in development and monetisation of new solutions, partnerships and enhancements • Implementation of a strong product vision to deliver unique selling points, adding customer value and solving customer problems • A product roadmap that facilitates the implementation of rapidly changing technologies, new enhancements and maintaining the existing products to a high standard both for new business acquisition and retention • Dedication to continuing to remain relevant in maturing B2C commerce, B2C non-commerce and D2C verticals, reducing risk through the relevancy of the platform to the challenges these customer face • Continued focus on combining marketing and automation capabilities with the market-driven need for supporting more conversational channels and leveraging customer data, machine learning and orchestration to drive decisions
<i>Operational</i>		
Movement: Stable		

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Competitive environment

Strategic

Movement: Increased

The sector we operate in is competitive. The impact of competitors having more features, new solutions, increased financial backing, lower pricing, better brand recognition and better global coverage increases the risk to our business. The increasing number of competitors adds further risk.

We focus on customers operating across different verticals - e.g. retail, commerce, higher education, not for profit, charities and D2C - by definition make for a large competitive landscape.

- Continued evaluation and optimisation of product performance in the technology landscape to reduce maintenance overheads
- A constant focus on enabling customer growth through the breadth, ease of use and flexibility of our integrations. The launch of our Integration Hub and new integration development strategy enabling rapid development of new integrations (including to third party platforms such as Eventbrite, Zoom, Typeform and Google Docs)
- Review technology acquisition opportunities that can further strengthen our go-to-market.
- Continually evaluate the maturity curve of our market to be ahead of the competition and develop products that add differentiation and offerings for markets that are less mature
- Investment in new product features, best-in-class 24/7 customer support and service offerings, enhanced brand recognition and improved service delivery
- A global marketing presence and PR strategy to attract new customers
- Further improvement of the products' renowned user experience
- Continued focus on increasing content, delivery and personalisation capabilities across established and emerging messaging channels
- Continued investment on our data, AI, reporting and machine learning capabilities and applying these to surprise and delight existing and prospective customers
- Continuing to listen to our customers and the market to solve real customer problems in an intuitive way.

DYNMARK INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Internet service providers (ISPs), reputation and internet browser- related risks

Strategic

Movement: Increased

As a large proportion of our revenue is derived by charging a price per message for sending emails and SMS on behalf of customers, the impact of not being able to deliver these or deliver these without engagement tracking for any reason is significant. If internet browsers detect hyperlinks as a phishing threat, abuse complaints from providers are not dealt with properly, bad customer data generates multiple complaints through ISPs or third-party spam are blacklisted, these impact the platform's overall ability to effectively deliver messages.

If manufacturers of computing devices, internet browsers or operating system software make changes to consumer privacy functionality it could negatively affect the ability for our products to perform the originally designed service.

- Provision of, and investment into, platform functionality to help customers comply with industry best practice, EU, Asia Pacific or US anti-spam regulations
- Demonstration of commitment to anti-abuse through admittance to various industry groups, such as the Messaging, Malware and Mobile Anti-Abuse Working Group (M3AAWG) and the Email Sender and Provider Coalition (ESPC)
- Continued investment into technology that can proactively block trial account sign-ups and automated bots
- Development of a risk-based vetting approach of prospective customers and their data acquisition practises
- Continued investment in a deliverability, anti-abuse and compliance team, under the leadership of the deliverability and compliance functions. With swift handling of abuse complaints generated by customer messaging, including where necessary account suspension and agreement termination
- Explore and implement alternative message routes for upstream providers for channels that this is supported e.g. SMS
- Continued investment into our technology to enable customers to onboard faster, speeding up their time-to-value but without compromise to message delivery and sending reputation
- Continued investment in understanding engagement tracking correlated to message deliverability and how industry change impacts the measurement of success
- Ongoing monitoring of changes to the technology landscape impacting privacy (such as Apple's proposed Mail Privacy Protection and Hide My Email features in the upcoming iOS15 update, Google Chrome and Apple Safari's change to block third-party cookies). Putting in place risk mitigations, changes to our products or educating our customers on the changes where necessary.

Key platform integrations

Strategic

Movement: Stable

We are increasingly investing in integration with third-party platforms to provide an enhanced product feature set – for example WhatsApp, Facebook, Twitter and Google. These platforms all have various contractual bases for access and we maintain our obligations carefully. However, any future change in the terms granting access may impact our continued ability to integrate our product with these platforms.

- Maintain strong relationships with these platforms
- Ensuring our platform policies align with the third parties
- Continuous review of competing functionality from other vendors
- Continued investment into the capabilities of each key integration, to ensure continued relevancy for customers and compliance with any third party or statutory changes.

DYNMARK INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Loss of a strategic partnership

Strategic

Movement: Stable

Revenues could be impacted if a strategic technology partner was acquired, changed contractual terms, had lost market share or their customers en masse. On such an event, customers may re-platform to a technology partner who we do not have a integration with.

If a strategic technology partner significantly changed partner terms, blocked access to or no longer accepted a connection to our products, there is also the risk that customers may leave or migrate to a competitor who has a connection, rather than re-platforming away from the technology partner.

- Dedicated resources for strategic partnerships, development of our partner strategy and program
- Delivery of a new service and technology partner program to support a partner-first approach
- *Renewal of agreements with all key strategic partners*
- A product and development strategy that continues to build connectors into leading market share e-commerce and CRM platforms, to reduce reliance on a single strategic technology partner
- Services and functionality to enable customers to migrate between different technology partners, as well as out of the box connectors they can use
- Continued work with new and emerging partners about providing connector functionality to their products.

Use of public cloud service suppliers

Technological

Movement: Decreased

We utilise public cloud suppliers to host our platforms and products. An event resulting in multiple cloud data centre failing, for any significant period, or termination of services by a cloud supplier, may negatively impact our business, operating results and financial condition.

The nature of cloud computing means that the majority of the platforms are on a shared infrastructure that is more of a target for cyber attacks.

- Informed choice of best-of-breed cloud computing suppliers (we have selected Microsoft Azure, CloudFlare, Amazon AWS, and Google Cloud Platform), the architecture and contracts of which facilitates high uptime SLAs and a quick recovery in the event of a single region failure
- Implementation of resilient global instances of the platform to serve local customers and avoid global customer impact in the event of a regional outage
- Regular simulation of Disaster Recovery plans to recover computing resources in secondary facilities located hundreds of miles away from the primary
- In addition to data being backed up to the secondary facilities, it is now also replicated to hot stand-by databases; resulting is improvements in the platform Recovery Time Objective (RTO)
- Migration to modern and platform agnostic technologies; allowing for easier migration paths to different cloud service providers
- Due diligence, and ongoing monitoring of cloud computing supplier security and incident handling processes, penetration testing results, change management and security and privacy accreditations.

DYNMARK INTERNATIONAL LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Supplier and computer hardware related risks

Technological

Movement: Stable

An event resulting in a loss of functionality at, or a total loss of, a data centre that hosts message send components for a prolonged period will result in sub-optimal service, potentially leading to a loss in revenues. In addition, events preventing or obstructing the platform's communication abilities, such as the blacklisting of IP addresses at major internet service providers will incur revenue loss.

We rely on a range of upstream suppliers to deliver SMS messages; a change in relationship with one or more of these suppliers, or one or more of these suppliers no longer being able to operate, could impact our profitability.

- Three separate instances of the sending infrastructure exist, meaning that an issue affecting one region would not impact the ability to send messages from the other regions
- The infrastructure is architected with resilience to cater for single points of failure, including having multiple upstream and internet suppliers in each region; which can keep delivering messages in the event a single supplier fails
- A working proof of concept for the migration of the message send components to a highly resilient cloud infrastructure has been developed. The migration of message sending infrastructure is anticipated to begin early 2022
- Tracking of message metrics regular reviewed and monitored by the executive team
- Continual evaluation of suppliers and technologies with the prioritisation of send volume, scalability and resiliency, and business continuity
- Continual investment in, and maintenance of, the groups sending IP address ranges by a dedicated messaging operations team; ensuring global reputability and use optimisation
- Strong relationships with Internet Service Providers and industry groups have been developed allowing for speedy containment and recovery of IP reputation issues
- The group has significantly increased the number upstream SMS providers, reducing the impact of an issue with individual providers. In addition to this, the group frequently reviews the most profitable upstream supplier routing options, and negotiating contracts regularly based on current and anticipated volume.

Information security and cyber risks

Technological

Movement: Stable

The ever-evolving, sophisticated nature of the cyber threat landscape poses an ongoing risk to the group. The brand reputation and financial performance depends on the protection of the confidentiality, integrity, availability of data and computer systems.

A successful cyber-attack against our information assets could significantly impact our ability to function, retain and attract business, as well as potential financial penalties from regulators.

Similarly, the risk of an "Insider threat" possess an equal impact to the business, with misuse of systems and data potentially leading to reputation damage, and regulatory fines.

- An established Security function is in place to manage an ISO 27001 certified Information Security Management System (ISMS) across the whole business
- The group continues to invest in preventative, detective, and corrective controls to minimise the likelihood and impact of security vulnerabilities and incidents
- Attainment of the UK government-backed Cyber Essentials Plus Certification, in addition to the implementation of further technical controls such as regular vulnerability scanning, third-party penetration testing, Intrusion Detection/Protection, Web Application Firewalls and DDoS protection to proactively detect and remediate against the latest threats
- The continual promotion of a security culture within the business via various awareness initiatives
- The transference of some risk by the introduction of Cyber Insurance.

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

CARBON NEUTRAL

Last year marked Dynmark's first year of being carbon neutral. We will extend this into the future, always offsetting our measured Scope 1, Scope 2, and select Scope 3 emissions with high quality offsets that follow the Oxford Offsetting Principles.

This year, we've decided to continue offsetting all of our measured emissions with Climate Care, who recently merged with Natural Capital Partners to give access to an increased range of projects to reduce carbon emissions.

We are also maintaining our corporate membership with our long-standing customer The Woodland Trust, providing additional carbon mitigation and combating the ecological emergency.

BROADENED SCOPE 3 ACCOUNTING

Last year, we calculated our Scope 3 GHG emissions from business travel, data centres and hosting.

We've added to this list this year to include GHG emissions from remote workers, worker commuting, and transmission and distribution losses. The first two items were particularly pertinent in a year in which our working patterns remained drastically altered as a result of the Covid-19 pandemic.

We aim to continue adding and calculating major Scope 3 emissions sources and offsetting these in line with our carbon neutral claim.

NET ZERO BY 2030

We are treating carbon neutrality as a step on the way to net becoming "net zero" means reducing our emissions to a level where only truly unavoidable emissions remain. We will then offset these "residual" emissions with GHG removal projects, which remove GHG emissions directly from the atmosphere and store them for long periods of time, for example as rock or biochar.

This is in contrast to the GHG reduction projects that enable us to claim or carbon neutral status, which involve supporting projects around the world that reduce the level of emissions compared to a hypothetical world without those projects.

We are pleased to announce that we aim to be net zero by the end of our financial year in 2035, a full 15 years ahead of the timeline set out in the Paris Agreement to limit global heating to 1.5 C.

DYNMARK INTERNATIONAL LTD
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

RESPONSIBLE MARKETING

We have made a commitment to responsible marketing, focusing on the imperatives for a customer-centric approach to marketing. We believe that now more than ever that building trust with customers through responsible marketing, focused on data privacy, security, and sustainability, is central to retention and life-time value. We are proud to be the world's first carbon neutral, ISO14001, ISO 27701 and ISO27001 certified marketing automation platform.

RENEWABLE ENERGY

One great leap to meeting our new ambition to reach net zero by 2030 is in shifting our London Bridge headquarters to 100% renewable energy, which took effect from 1 July 2021. This will single-handedly reduce our annual Scope 2 emissions by 46% (compared to our first year of measurement in 2019/20).

Efforts are also under way to transition our Sydney and Melbourne offices to use 100% renewable energy in the next financial year, further reducing our Scope 2 emissions, and to power our platform with 100% renewable energy globally. It remains the case that our platform is powered only by renewable energy in Europe.

ISO 14001

We have maintained ISO 14001 certification with zero non-conformities raised (for the second time!). ISO 14001 defines an environmental management system and provides third-party verification that we measure our environmental impact and continually improve our environmental performance.

TERRA CARTA

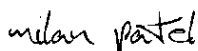
As the first anniversary of our green journey approached in April 2021, we were thrilled to see discussions about sustainable business practices making their way onto the world stage. To reaffirm our pledge to protect the environment, we've signed the Terra Carta, a charter that puts sustainability at the heart of the private sector. This is part of the Sustainable Markets Initiative and was announced by HRH The Prince of Wales.

APPOINTED OUR FIRST SUSTAINABILITY LEAD

For the first time, Dynmark has a Sustainability Lead pushing forwards our green initiatives and steering us towards our sustainability goals.

STRATEGIC REPORT

The strategic report was approved by a duly authorised committee of the Board of Directors on 28 March 2022 and signed on its behalf by:



.....
M Patel - Director

Date: 28th March 2022

DYNMARK INTERNATIONAL LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of provision of a messaging platform which enables third parties to send messages to and from mobile apps and web enabled devices.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Directors holding office are as follows:

M Patel
G Kasparian
P Amin

FINANCIAL INSTRUMENTS

Details of the company's risk management objectives and policies together with its exposure to financial risk are set out in note 17 to the financial statements.

The purpose of the policies is to ensure that adequate cost-effective funding is available and exposure to financial risk - interest rate, liquidity and credit risk - is minimised.

PRODUCT DEVELOPMENT

In the markets in which the company operates, effective development is vital to maintaining competitive advantage and securing future income streams.

GOING CONCERN

After making appropriate enquiries, the Directors consider that the company and the group has adequate resources and thereby on this basis this year's financial statements have been prepared under the going concern basis. However as has been noted before the company has ceased to trade as at 30 June 2021 and hence the following year's financial statement will be prepared under the dormant status.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 the company chooses to report the review of the business, the future outlook and risks and uncertainties faced by the group in the Strategic Report on pages 2 - 12.

CHARITABLE AND POLITICAL DONATIONS

No charitable or political donations were made by the group.

DYNMARK INTERNATIONAL LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021

SUPPLIER PAYMENT POLICY

The group's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. The average trade creditors for the company, expressed as a number of days, were 12 days (2020: 70 days).

EMPLOYEES

The number of employees and their remuneration is set out in note 2.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The company complies with all applicable labour laws in the respective jurisdictions in which it operates.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

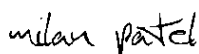
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

ON BEHALF OF THE BOARD:



.....
M Patel - Director

Date: 28th March 2022

DYNMARK INTERNATIONAL LTD
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		Year Ended 30.6.21 £	Restated Year Ended 30.6.20 £
	Notes		
CONTINUING OPERATIONS			
Revenue from contracts with customers		3,534,386	7,866,910
Cost of sales		<u>(2,230,292)</u>	<u>(6,058,787)</u>
Gross profit		1,304,094	1,808,123
Administrative expenses	5	(1,193,427)	(1,944,756)
Exceptional items	3	2,577,693	106,748
OPERATING PROFIT/(LOSS)		2,688,360	(29,885)
Finance costs	4	<u>(1,666)</u>	<u>(4,228)</u>
PROFIT/(LOSS) BEFORE INCOME TAX		2,686,694	(34,113)
Income tax expense	6	<u>(186,608)</u>	<u>-</u>
Profit/(Loss) for the year from continuing operations		2,500,086	(34,113)
Profit/(Loss) for the year attributable to the owners of the parent		<u>2,500,086</u>	<u>(34,113)</u>
PROFIT/(LOSS) FOR THE PERIOD		2,500,086	(34,113)
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translating foreign operations		<u>(22,123)</u>	<u>5,583</u>
Total comprehensive income attributable to: Owners of the parent		<u>2,477,963</u>	<u>(28,530)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Comprehensive income from continuing operations		<u>2,477,963</u>	<u>(28,530)</u>

DYNMARK INTERNATIONAL LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2021

		30.6.21 £	30.6.20 £
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	707	742
Property, plant and equipment	9	15,281	114,512
		<u>15,988</u>	<u>115,254</u>
CURRENT ASSETS			
Trade and other receivables	11	1,317,419	2,278,191
Cash and cash equivalents	12	90,051	385,241
		<u>1,407,470</u>	<u>2,663,432</u>
TOTAL ASSETS		<u>1,423,458</u>	<u>2,778,686</u>
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
Called up share capital	13	5,912	5,912
Share premium	14	1,215,696	1,215,696
Retranslation reserve	14	(67,224)	(45,101)
Retained earnings	14	(553,765)	(3,053,851)
TOTAL EQUITY		600,619	(1,877,344)
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	16	-	28,996
CURRENT LIABILITIES			
Trade and other payables	15	822,839	4,551,970
Financial liabilities – lease liabilities	16	-	75,064
TOTAL LIABILITIES		<u>822,839</u>	<u>4,656,030</u>
TOTAL EQUITY & LIABILITIES		<u>1,423,458</u>	<u>2,778,686</u>

For the period ended 30 June 2021 the Group was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

DYNMARK INTERNATIONAL LTD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 JUNE 2021

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2022 and were signed on its behalf by:

milan patel

.....
M Patel - Director

Company registration number: 04343332 (England and Wales)

DYNMARK INTERNATIONAL LTD
COMPANY STATEMENT OF FINANCIAL POSITION
30 JUNE 2021

		30.6.21 £	30.6.20 £
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8	-	35
Tangible assets	9	-	58,384
Investments	10	1,000	1,000
		<u>1,000</u>	<u>59,419</u>
CURRENT ASSETS			
Trade and other receivables	11	1,317,419	2,495,406
Cash and cash equivalents	12	48,370	377,489
		<u>1,365,789</u>	<u>2,872,895</u>
TOTAL ASSETS		<u>1,366,789</u>	<u>2,932,314</u>
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
Called up share capital	13	5,912	5,912
Share premium	14	1,215,696	1,215,696
Retained earnings	14	(1,252,280)	(2,885,409)
TOTAL EQUITY		<u>(30,672)</u>	<u>(1,663,801)</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,397,461	4,547,438
Financial liabilities – lease liabilities	16	-	48,677
TOTAL LIABILITIES		<u>1,397,461</u>	<u>4,596,115</u>
TOTAL EQUITY & LIABILITIES		<u>1,366,789</u>	<u>2,932,314</u>

The financial statements were approved and authorised for issue by the Board of Directors on 28 March 2022 and were signed on its behalf by:

milan patel

.....
M Patel – Director

Company registration number: 04343332 (England and Wales)

DYNMARK INTERNATIONAL LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retranslation reserve £	Retained earnings £	Share premium £	Total Equity £
Balance as at 1 July 2019	5,912	(50,684)	(3,019,738)	1,215,696	(1,848,814)
Loss for the Period	-	-	(34,113)	-	(34,113)
Other comprehensive income	-	5,583	-	-	5,583
Total comprehensive income	-	5,583	(34,113)	-	(28,530)
Balance as at 30 June 2020	5,912	(45,101)	(3,053,851)	1,215,696	(1,877,344)
Profit for the period	-	-	2,500,086	-	2,500,086
Other comprehensive income	-	(22,123)	-	-	(22,123)
Total comprehensive income	-	(22,123)	2,500,086	-	2,477,963
Balance as at 30 June 2021	5,912	(67,224)	(553,765)	1,215,696	600,619

- Share capital is the amount subscribed for shares at nominal value.
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.
- Share premium represents the excess of the amount subscribed for share capital over the nominal value of the net share issue expenses.
- Retranslation reserve relates to the retranslation of foreign subsidiaries into the functional currency of the Group.

DYNMARK INTERNATIONAL LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Share Premium £	Total equity £
Balance as at 1 July 2019	5,912	(2,995,418)	1,215,696	(1,773,810)
Profit for the period	-	110,009	-	110,009
Total comprehensive income	-	110,009	-	110,009
Balance as at 30 June 2020	5,912	(2,885,409)	1,215,696	(1,663,801)
Profit for the period	-	1,633,129	-	1,633,129
Total comprehensive income	-	1,633,129	-	1,633,129
Balance as at 30 June 2021	5,912	(1,252,280)	1,215,696	(30,672)

- Share capital is the amount subscribed for shares at nominal value.
- Retained earnings represents the cumulative earnings of the company attributable to equity shareholders.
- Share premium represents the excess of the amount subscribed for share capital over the nominal value of the net share issue expenses.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES

General information

Dynmark International Ltd (Dynmark) is a limited company incorporated in England and Wales. The address of the registered office is No 1 London Bridge, London Bridge, London SE1 9BG. The principal activity of the Group is described on page 13.

Basis of preparation

During the year the Company transitioned from IFRS to Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). There are no recognition or measurement changes that need to be disclosed. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The financial statements are presented in sterling (£), rounded to the nearest pound.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 28.

In preparing these financial statements the Company has taken advantage of certain disclosure exemption conferred by FRS 101. Therefore these financial statements do not include:

- A statement of cash flows and related notes
- Capital management disclosures
- The effect of future accounting standards not adopted
- Certain disclosures relating to discontinued operations
- The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of the group
- Disclosure of key management personnel compensation
- Certain disclosures relating to leases

This information is included in the consolidated financial statements of Dotdigital Group Plc as at 30 June 2021 and these financial statements may be obtained from its registered office.

New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The notes form part of these financial statements

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

Subsidiaries

A subsidiary is an entity whose operating and financing policies are controlled by the Group. Subsidiaries are consolidated from the date on which control was transferred to the Group. Subsidiaries cease to be consolidated from the date the Group no longer has control. Intercompany transactions, balances and unrealised gains on transactions between Group companies have been eliminated on consolidation.

The Group applies the acquisition method to account for business combinations. In the statement of financial position, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date.

Revenue recognition

Revenue comprises of the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown net of value added taxes, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, and it is possible that the future economic benefits will flow to the entity. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of the arrangement.

The company sells messaging services to other businesses and services are either provided on a usage basis or fixed price bespoke contract. Revenue from messages are recognised at the point at which the messages are credited to the customer account. Revenue of other services are recognised in line with the date of provision of services.

Investments in subsidiaries

Investments are held as non-current assets at cost less any provision for impairment. Where the recoverable amount of the investment is less than the carrying amount, impairment is recognised.

Going concern

The Directors are required to satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis, and as part of that process they have followed the Financial Reporting Council's guidelines ("Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk" issued April 2016).

Budgets and detailed profit and loss forecasts that look beyond twelve months from the date of the Group financial statements have been prepared and used to ensure that the Group can meet its liabilities as they fall due. The Directors have made various assumptions in preparing these forecasts, using their view of both the current and future economic conditions that may impact on the Group during the forecast period. The Directors have also considered the continued impact of the COVID-19 pandemic and the impact of the measures taken to contain it, on the Group. Due to the nature of the Group's activities, there has not been a significant on-going impact on the business (as detailed in the Chief Executive Officer's Review and Risk section).

The Directors, at the time of approving the financial statements, have a reasonable expectation that the company and the group have adequate resources to adopt the going concern basis of accounting in preparing the financial statements for this financial year. However for the following year, as the company has ceased to trade as at 30 June 2021 then the accounts will be prepared as a dormant company. In addition, the Directors acknowledge that the company and group continues to have the full support of the Parent company. Further detail is contained in the Directors' report.

Operating profit

Operating profit is stated after charging operating expenses but before finance costs.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are recorded as separately identifiable assets and recognised at historical cost less any accumulated amortisation. These assets are amortised over their useful economic lives of four to five years, with the charge included in administrative expenses in the income statement.

Intangible assets are reviewed for impairment annually. Impairment is measured by determining the recoverable amount of an asset or cash generating unit (CGU) which is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

- Software

Acquired software and websites are shown at historical cost. They have a finite life and are carried at cost less accumulated amortisation. Amortisation is calculated using straight-line method to allocate the cost of software and websites over their useful lives of four years.

-Product development

Product development expenditure is capitalised when it is considered that there is a commercially and technically viable product, the related expenditure is separately identifiable and there is a reasonable expectation that the related expenditure will be exceeded by future revenues. Following initial recognition, product developments are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of these intangible assets are assessed to have a finite life of five years. Amortisation is charged on assets with finite lives, and until economic benefit can be received and recognised, this expense is taken to the income statement and useful lives are reviewed on an annual basis. Amortisation is charged from the point when the asset is available for use.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which they are ready for use on a straight-line basis over their useful life.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use or resale;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible assets;
- It can be demonstrated how the intangible asset will generate possible future economic benefits;
- Adequate technical, financial and other resource to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Impairment of non-financial assets (excluding goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

I. ACCOUNTING POLICIES - continued

Property, plant and equipment

Tangible non-current assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits are associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation is provided at the following rates in order to write off each asset over its estimated useful life and is based on the cost of assets less residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Fixtures and fittings: 25% on cost

Computer equipment: 25% on cost

The assets' residual values and useful economic lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement.

Capital risk management

The Group manages its capital to ensure it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash equivalents and equity attributable to the owners of the parent as disclosed in the statement of changes in equity.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference will be utilised.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income asset is realised or deferred income tax liability is settled.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

Leases

The Company has applied IFRS 16 using the modified retrospective approach. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets, being less than £5,000, comprise IT equipment and small items of office furniture.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when an entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

- Financial assets

The Group's accounting policies for financial assets are set out below:

Management determine the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and, where allowed and appropriate, revalue this designation at every reporting date.

All financial assets are recognised on a trade date when, and only when, the company becomes a party to the contractual provisions of an instrument. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss ('FVPL'), which are initially measured at fair value.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

Financial assets are classified into the following specified categories: financial assets at FVPL, 'amortised cost' or 'fair value through other comprehensive income' ('FVOCI'). The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are assessed for indicators of impairment at each balance sheet 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 of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually, the company recognises lifetime expected credit losses ('ECL') when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

- Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition and bank overdrafts.

- Trade receivables

Trade receivables are recognised initially at the lower of their original invoiced value and recoverable amount. A provision is made when it is likely that the balance will not be recovered in full. Terms on receivables range from 30 to 90 days.

- Financial liabilities and equity

Financial liabilities and equity are recognised on the Group's statement of financial position when the Group becomes a party to a contractual provision of an instrument. Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of transaction costs.

The Group's financial liabilities include trade payables and accrued liabilities.

- Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Terms on accounts payable range from 10 to 90 days.

Foreign currency risk

Currency risk is the risk that the holding of foreign currencies will affect the Group's position as a result of a change in foreign currency exchange rates. The Group has no significant foreign currency risk as most of the Group's financial assets and liabilities are denominated in functional currencies of relevant Group entities. Accordingly, no quantitative market risk disclosures or sensitivity analysis for currency risks have been prepared.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (c) all resulting exchange differences are recognised in other comprehensive income.

Equity

Share capital is the amount subscribed for shares at their nominal value.

Share premium represents the excess of the amount subscribed for the share capital over the nominal value of the respective shares net of share issue expenses.

Retained earnings represent the cumulative earnings of the Group attributable to equity shareholders.

Functional currency translation

- Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (functional currency), which is mainly pounds sterling (£) and it is this currency the financial statements are presented in.

- Transaction and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Employee benefit costs

The Group operates a defined contribution pension scheme. Contributions payable by the Group's pension scheme are charged to the income statement in the period in which they relate.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

1. ACCOUNTING POLICIES - continued

Estimates and assumptions

Depreciation and amortisation

The Group depreciates short leasehold, fixtures and fittings, computer equipment and amortises computer software, internally generated development costs and domain names on a straight-line method over the estimated useful lives. The estimated useful lives reflect the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's short leasehold fixtures and fittings, computer equipment, computer software, internally generated development costs and domain names.

Bad debt provision

We perform ongoing credit evaluations of our customers and grant credit based upon past payment history, financial condition and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based upon specific situations and overall industry conditions. Hence the provision is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. In making this assessment, management takes into consideration (i) an circumstances of which we are aware regarding a customer's inability to meet its financial obligations and (ii) our judgements as to potential prevailing economic conditions in the industry and their potential impact on the Group's customers.

Where a general provision is set then specific rationale will be set against this which will be a combination of looking at historical data to ascertain the percentage of debt which goes bad. Plus set against debts within a specific business sector which might be facing financial difficulty, thereby leading to a deemed higher risk of defaulting on their debts.

Lease accounting – incremental borrowing rate

IFRS 16 "Leases" requires lease payments to be discounted using the lessee's incremental borrowing rate. The Group's incremental borrowing rate, as at the date of adoption of IFRS 16, has been based on local commercial bank loans. Management have taken the view that specific costs of borrowing should be applied to each lease as this reflects the different economic conditions within each geography and hence is more representative of the funding facilities available in those countries.

Foreign currency exchange rate risk

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. As well as naturally mitigating this risk by offsetting its cost base in the same currencies where possible, currency exposure arising from the net assets of the Group's foreign operations is managed through cash balances denominated in the relevant foreign currencies.

The Company is mainly exposed to the Polish zloty currency.

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against the relevant foreign currencies. 10% is the sensitivity rate which represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end of a 10% change in foreign currency rates. A positive number below indicates an increase in profit where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative or positive.

	30.6.21	30.6.20
	£	£
Polish Zloty	95,133	(14,603)
	<u>95,133</u>	<u>(14,603)</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

2. EMPLOYEES AND DIRECTORS

	Year Ended 30.6.21 £	Year Ended 30.6.20 £
Wages and salaries	291,250	445,665
Social security costs	42,214	43,036
Other pension costs	9,401	19,177
	<u>342,865</u>	<u>507,878</u>

The average monthly number of employees during the period was as follows

	Year Ended 30.6.21	Year Ended 30.6.20
Product developers	8	8
	<u>8</u>	<u>8</u>

Directors

	30.6.21 £	30.6.20 £
Aggregate emoluments	-	-
Company contributions to money purchase pension scheme	-	-
	<u>-</u>	<u>-</u>

Information in relation to the highest paid Director is as follows:

	30.6.21 £	30.6.20 £
Salaries	-	-
Ex-gratia payment	-	-
Pension costs	-	-
	<u>-</u>	<u>-</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

3. **EXCEPTIONAL ITEMS**

Exceptional income of £2,577,693 (2020: £106,748) relates to a write off of loans with related parties.

4. **NET FINANCE COSTS**

	Year Ended 30.6.21 £	Year Ended 30.6.20 £
Finance costs:		
Interest charge recognised on IFRS16	1,666	4,117
Bank loan interest	-	111
	<u>1,666</u>	<u>4,228</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

5. OPERATING PROFIT

	Year Ended 30.6.21 £	Restated* Year Ended 30.6.20 £
Staff related costs (inc Directors' emoluments) – note 2	342,865	507,878
Accountancy	7,957	3,390
Audit remuneration	-	13,500
Amortisation of intangibles	35	53
Depreciation charge	76,356	101,386
Legal, professional and consultancy fees	19,857	2,623
Computer expenditure	14,350	372,434
Bad debts	(2,409)	73,079
Foreign exchange losses	17,223	13,501
Travelling	-	15,517
Office running	91,930	42,106
Staff Welfare	1,536	5,374
Management recharge	620,522	761,791
Other costs	3,205	32,124
Total administration costs	<u>1,193,427</u>	<u>1,944,756</u>

*Tech infrastructure has been reclassified under cost of sales and the comparatives have been restated (see note 22).

For the year ended 30 June 2021 the Group took advantage of audit exemption under section 479C of the Companies Act 2006. Auditor's remuneration for the year ended 30 June 2021 was borne by Dotdigital Group PLC and is disclosed in that company's financial statements.

	Year Ended 30.6.21 £	Year Ended 30.6.20 £
Fees payable to the company's auditor for the audit of Parent company and consolidated financial statements	-	13,500
	<u>-</u>	<u>13,500</u>

DYNMARK INTERNATIONAL LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

6. INCOME TAX EXPENSE

Analysis of the tax charge from continuing operations:

	Year Ended 30.6.21 £	Year Ended 30.6.20 £
Current tax on profits for the period	186,608	-
	<u>186,608</u>	<u>-</u>

Factors affecting the tax charge:

	Year Ended 30.6.21 £	Year Ended 30.6.20 £
Profit on ordinary activities before tax	2,686,694	(34,113)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	510,472	(6,481)
Effects of:		
Expenses not deductible	6	6
Income not assessable for tax purposes	(489,762)	-
Utilisation of Group losses	160,242	-
Deferred tax not recognised	(71)	-
Movement in previously unrecognised tax losses	(2,596)	-
Utilisation of tax losses brought forward	-	(21,932)
Unrelieved tax losses carried forward	-	27,160
Overseas tax losses/(profits)	(95,204)	-
Adjustment to tax charge in respect of prior year	103,521	-
Capital allowances in excess of depreciation	-	1,247
Total income tax	<u>186,608</u>	<u>-</u>

For further details on deferred tax see note 18.

7. PROFIT/(LOSS) OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit before exceptional items for the financial period was £1,633,129 (2020: £110,009).

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

8. INTANGIBLE ASSETS

Group

	Computer software £	Totals £
COST		
At 1 July 2020	<u>216,013</u>	<u>216,013</u>
At 30 June 2021	<u>216,013</u>	<u>216,013</u>
AMORTISATION		
At 1 July 2020	215,271	215,271
Amortisation for the period	<u>35</u>	<u>35</u>
At 30 June 2021	<u>215,306</u>	<u>215,306</u>
NET BOOK VALUE		
At 30 June 2021	<u>707</u>	<u>707</u>

	Computer software £	Totals £
COST		
At 1 July 2019	<u>216,013</u>	<u>216,013</u>
At 30 June 2020	<u>216,013</u>	<u>216,013</u>
AMORTISATION		
At 1 July 2019	215,218	215,218
Amortisation for the period	<u>53</u>	<u>53</u>
At 30 June 2020	<u>215,271</u>	<u>215,271</u>
NET BOOK VALUE		
At 30 June 2020	<u>742</u>	<u>742</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

8. INTANGIBLE ASSETS - continued

Company

	Computer software £	Totals £
COST		
At 1 July 2020	215,306	215,306
At 30 June 2021	215,306	215,306
AMORTISATION		
At 1 July 2020	215,271	215,271
Amortisation for the period	35	35
At 30 June 2021	215,306	215,306
NET BOOK VALUE		
At 30 June 2021	-	-

	Computer software £	Totals £
COST		
At 1 July 2019	215,306	215,306
At 30 June 2020	215,306	215,306
AMORTISATION		
At 1 July 2019	215,218	215,218
Amortisation for the period	53	53
At 30 June 2020	215,271	215,271
NET BOOK VALUE		
At 30 June 2020	35	35

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Right of Use asset £	Fixtures & fittings £	Computer equipment £	Totals £
COST				
At 1 July 2020	190,378	121,440	306,871	618,689
Additions	-	-	23,220	23,220
Disposals	(82,459)	(3,632)	(21,003)	(107,094)
Exchange rate differences	(71)	(52)	(85)	(208)
At 30 June 2021	107,848	117,756	309,003	534,607
DEPRECIATION				
At 1 July 2020	86,688	118,663	298,826	504,177
Depreciation for the period	70,869	866	4,621	76,356
Disposals	(49,709)	(1,760)	(9,659)	(61,128)
Exchange rate differences	-	(13)	(66)	(79)
At 30 June 2021	107,848	117,756	293,722	519,326
NET BOOK VALUE				
At 30 June 2021	-	-	15,281	15,281
	Right of Use asset £	Fixtures & Fittings £	Computer equipment £	Totals £
COST				
At 1 July 2019	-	120,036	305,654	425,690
Additions	-	1,404	1,217	2,621
Reclassified: IFRS 16	190,378	-	-	190,378
At 30 June 2020	190,378	121,440	306,871	618,689
DEPRECIATION				
At 1 July 2019	-	116,914	285,871	402,785
Depreciation for the period	86,688	1,749	12,949	101,386
Exchange rate differences	-	-	6	6
At 30 June 2020	86,688	118,663	298,826	504,177
NET BOOK VALUE				
At 30 June 2020	103,690	2,777	8,045	114,512

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT

Company

	Right of Use asset £	Fixtures & fittings £	Computer equipment £	Totals £
COST				
At 1 July 2020	107,919	120,702	305,654	534,275
Disposals	-	(2,946)	(13,545)	(16,491)
At 30 June 2021	107,919	117,756	292,109	517,784
DEPRECIATION				
At 1 July 2020	58,865	118,479	298,547	475,891
Depreciation for the period	49,054	866	3,208	53,128
Disposals	-	(1,589)	(9,646)	(11,235)
At 30 June 2021	107,919	117,756	292,109	517,784
NET BOOK VALUE				
At 30 June 2021	-	-	-	-

	Right of Use asset £	Fixtures & Fittings £	Computer equipment £	Totals £
COST				
At 1 July 2019	-	120,036	305,654	425,690
Additions	-	666	-	666
Reclassified: IFRS 16	107,919	-	-	107,919
At 30 June 2020	107,919	120,702	305,654	534,275
DEPRECIATION				
At 1 July 2019	-	116,914	285,871	402,785
Depreciation for the period	58,865	1,565	12,676	73,106
At 30 June 2020	58,865	118,479	298,547	475,891
NET BOOK VALUE				
At 30 June 2020	49,054	2,223	7,107	58,384

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

10. INVESTMENTS

Company

	Shares in Group undertakings 30.6.21 £	Shares in Group undertakings 30.6.20 £
COST		
At 1 July 2020	1,000	1,000
At 30 June 2021	1,000	1,000
AMORTISATION		
At 30 June 2020 & 2021	-	-
NET BOOK VALUE		
At 30 June 2021	1,000	1,000

The Group's or the Company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries	Nature of business	Class of share	Proportion of voting power held %:
Dynmark S.p. z.o.o	Business and software development	Ordinary	100

The above subsidiary has been included within the consolidated results. Dynmark S.p. z.o.o was incorporated in Poland and has its registered office at Al. Jana Pawla II 22, 00-133 Warsaw, Poland.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30.6.21 £	30.6.20 £	30.6.21 £	30.6.20 £
Current:				
Trade receivables	1,317,419	1,773,141	1,317,419	1,773,141
Bad debt provision	-	(65,426)	-	(65,426)
	<u>1,317,419</u>	<u>1,707,715</u>	<u>1,317,419</u>	<u>1,707,715</u>
Amounts owed by Group undertakings	-	-	-	573,009
Amounts owed by related parties	-	355,794	-	-
Other receivables	-	1,334	-	1,334
Prepayments and contract asset	-	111,819	-	111,819
Tax recoverable	-	49,730	-	49,730
Deferred taxation	-	51,799	-	51,799
	<u>1,317,419</u>	<u>2,278,191</u>	<u>1,317,419</u>	<u>2,495,406</u>

Further details on the above can be found in note 17.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Bank accounts	90,051	385,241	48,370	377,489
	<u>90,051</u>	<u>385,241</u>	<u>48,370</u>	<u>377,489</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued, fully paid Number	Nominal value	30.6.21 £	30.6.20 £
466,278 Ordinary shares	£0.01	4,663	4,663
124,850 Ordinary 'A' shares	£0.01	1,249	1,249
		<u>5,912</u>	<u>5,912</u>

14. RESERVES
Group

	Retained Earnings £	Share premium £	Retranslation reserve £	Totals £
As at 30 June 2020	(3,053,851)	1,215,696	(45,101)	(1,883,256)
Profit for the period	2,500,086	-	-	2,500,086
Other comprehensive income: Currency translation	<u>-</u>	<u>-</u>	<u>(22,123)</u>	<u>(22,123)</u>
Balance as at 30 June 2021	<u>(553,765)</u>	<u>1,215,696</u>	<u>(67,224)</u>	<u>594,707</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

14. RESERVES - continued

Group

	Retained earnings £	Share premium £	Retranslation Reserve £	Totals £
As at 30 June 2019	(3,019,738)	1,215,696	(50,684)	(1,854,726)
Loss for the period	(34,113)	-	-	(34,113)
Other comprehensive income:				
Currency translation	-	-	5,583	5,583
Balance as at 30 June 2020	<u>(3,053,851)</u>	<u>1,215,696</u>	<u>(45,101)</u>	<u>(1,883,256)</u>

Company

	Retained earnings £	Share Premium £	Totals £
At 1 July 2020	(2,885,409)	1,215,696	(1,669,713)
Profit for the period	<u>1,633,129</u>	<u>-</u>	<u>1,633,129</u>
At 30 June 2021	<u>(1,252,280)</u>	<u>1,215,696</u>	<u>(36,584)</u>

Company

	Retained earnings £	Share Premium £	Totals £
At 1 July 2019	(2,995,418)	1,215,696	(1,779,722)
Profit for the period	<u>110,009</u>	<u>-</u>	<u>110,009</u>
At 30 June 2020	<u>(2,885,409)</u>	<u>1,215,696</u>	<u>(1,669,713)</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

15. TRADE AND OTHER PAYABLES

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Current:				
Trade payables	72,743	1,162,742	68,779	1,162,248
Amounts owed to Group undertakings	567,031	2,542,649	1,255,513	2,540,337
Other payables	84,038	41,823	-	46,256
VAT	12,316	661,739	23,920	673,537
Accruals and contract liabilities	86,711	143,017	49,249	125,060
	<u>822,839</u>	<u>4,551,970</u>	<u>1,397,461</u>	<u>4,547,438</u>

Further details on liquidity and interest rate risk can be found in note 17.

16. LEASE LIABILITIES

	Group		Company	
	Properties	Total	Properties	Totals
	£	£	£	£
At 1 July 2020	104,060	104,060	48,677	48,677
Termination of leases	(32,750)	(32,750)	-	-
Principal repayments	(72,976)	(72,976)	(49,365)	(49,365)
Interest	1,666	1,666	688	688
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Group		Company	
	Properties	Total	Properties	Totals
	£	£	£	£
At 1 July 2019	-	-	-	-
Transition on adoption of IFRS 16	190,178	190,178	107,919	107,919
Principal repayments	(90,235)	(90,235)	(61,439)	(61,439)
Interest	4,117	4,117	2,197	2,197
	<u>104,060</u>	<u>104,060</u>	<u>48,677</u>	<u>48,677</u>
At 30 June 2020	<u>104,060</u>	<u>104,060</u>	<u>48,677</u>	<u>48,677</u>
Current	75,064	75,064	48,677	48,677
Non-current	28,996	28,996	-	-
At 30 June 2020	<u>104,060</u>	<u>104,060</u>	<u>48,677</u>	<u>48,677</u>

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's activities expose it to a number of financial risks that include credit risk, liquidity risk, currency risk and interest rate risk. These risks and the Group's policies for managing them have been applied consistently during the year and are set out below.

The Group holds no financial or other non-financial instruments other than those utilised in the working operations of the Group and that listed in this note. It's the Group's policy not to trade in derivative contracts.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument rate risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Financial instruments by category

The following table sets out the financial instruments as at the reporting date:

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Financial assets				
Trade and other receivables	1,317,419	1,810,578	1,317,419	1,810,578
Amounts owed by group undertakings	-	355,794	-	573,009
Bank balances	90,051	385,241	48,370	377,489
	<u>1,407,470</u>	<u>2,551,613</u>	<u>1,365,789</u>	<u>2,761,076</u>
Financial liabilities				
Trade payables	72,743	1,162,742	68,779	1,162,248
Amounts owed to group undertakings	567,031	2,542,649	1,255,513	2,540,337
Contract liabilities and other payables	183,065	846,579	73,169	844,853
	<u>822,839</u>	<u>4,551,970</u>	<u>1,397,461</u>	<u>4,547,438</u>

The fair value of the financial assets and financial liabilities is equal to their carrying values. All financial assets are categorised as loans and receivables and all financial liabilities are categorised as financial liabilities at amortised costs.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's risk committee. The Board receives monthly reports from the Risk Committee through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. Further details regarding these policies are set out below:

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

Interest rate risk

The Group's interest rate risk arises from interest-bearing assets and liabilities. The Group has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest offsetting where possible cash balances, and by forecasting and financing its working capital requirements. As at the reporting date the Group was not exposed to any movement in interest rates as it has no external borrowings and therefore is not exposed to interest rate risk. No sensitivity analysis has been prepared.

The Group's working capital requirements are managed through regular monitoring of the overall cash position and regularly updated cash flow forecasts to ensure there are sufficient funds available for its operations.

Liquidity risk

The Group's working capital requirements are managed through regular monitoring of the overall position and regularly updated cash flow forecasts to ensure there are funds available for its operations. Management forecasts indicate no new borrowing facilities will be required in the upcoming financial period.

Trade and other payables of £822,839 (2020: £4,551,970) are expected to mature in less than a year.

Credit risk

Credit risk arises principally from the Group's trade receivables which comprise amounts due from customers. Prior to accepting new customers a credit check is obtained. As at 30 June 2021 there were no significant debts past their due period which had not been provided for. The maturity of the Group's trade receivables is as follows:

	30.6.21 £	30.6.20 £
0-30 days	400,878	871,577
30-60 days	814,295	796,674
More than 60 days	<u>102,246</u>	<u>104,890</u>
	<u>1,317,419</u>	<u>1,773,141</u>

The group minimises its credit risk by profiling all new customers and monitoring existing customers of the group for changes in their initial profile. The level of trade receivables older than the average collection period consisted of a value of £916,541 (2020: £901,564) of which £nil (2020: £64,180) was provided for. The group felt that the remainder would be collected post year end as they were with long-standing relationships, and the risk of default is considered to be low and write-offs due to bad debts are extremely low. The group has no significant concentration of credit risk, with the exposure spread over a large number of customers.

DYNMARK INTERNATIONAL LTD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
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17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT – continued

The credit risk on liquid funds is low as the counterparts are banks with high credit ratings assigned by international credit rating bodies. The majority of the company's cash holdings are held at Barclays Plc which has a BBB+ credit rating.

The carrying value of both financial assets and liabilities approximates to fair value.

Capital policy

The group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal returns for shareholders and to maintain an efficient capital structure to reduce the cost of capital.

In doing so the group's strategy is to maintain a capital structure commensurate with a strong credit rating and to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this, the group monitors key credit metrics, risk and fixed charge cover to maintain this position. In addition, the group ensures a combination of appropriate short term and long-term liquidity headroom.

During the year the group had a short-term loan balance of £nil (2020: £nil) and amounts payable over one year are £nil (2020: £nil). The group had a strong cash reserve to utilise for any short-term capital requirements that were needed by the group.

18. DEFERRED TAX

	30.6.21	30.6.20
	£	£
As at 1 July	-	51,799
Current year provision	-	(51,799)
	<u>-</u>	<u>-</u>

Deferred tax provision relates to taxes to be levied by the same authority on the same entity expected to be settled at the same time. As such deferred tax assets and liabilities have been offset.

19. CAPITAL COMMITMENTS

The company and group have no capital commitments as at the year end and prior year.

20. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party of the group. Dotdigital Group PLC acts as the parent company to Dynmark International Ltd and Dynmark s.p. z.o.o.

DYNMARK INTERNATIONAL LTD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period which impact the Group's and Company's financial statements.

22. PRIOR YEAR RESTATEMENT NOTE

During the year, the Group made the decision to modify the classification of direct marketing and partner commission from cost of sales to administrative expenses and tech infrastructure from under administrative expenses to cost of sales, to reflect more appropriately gross profit and gross profit margin plus also administrative expenses under continuing operations. Comparative amounts in the Consolidated Income Statement have been reclassified for consistency. As a result, £7,681 was reclassified from administrative expenses to cost of sales. There has been no impact on the prior year's profit for the year, however gross profit has decreased from £1,815,804 to £1,808,123 and administrative expenses have decreased from £1,952,437 to £1,944,756. The restatement had no impact on the prior year's Consolidated Statement of Financial Position.